JASON HOLDINGS LIMITED

ANNUAL REPORT 2017

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road #21-00 AIA Tower, Singapore 048542, telephone (65) 6532 3829.

CORPORATE PROFILE

Jason Holdings Limited ("**Jason Holdings**" or the "**Company**") (Registration number 201119167Z) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 11 Tampines Street 92 #03-05 Tampines Bizhub, Singapore 528872. The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist**") on 25 September 2012.

The Company is an investment holding company. Its only 60%-owned operating subsidiary, White Cubic Pte Ltd ("**WC**"), is primarily engaged in the business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works. The Company previously had a 100%-owned subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**"), which was engaged in the business of renovation contractors, manufacturing of plywood, parquet, wooden building materials and timber related materials. JPS was wound up on 10 June 2016 and is currently in process of liquidation.

The Company is in the process of considering and evaluating various new businesses for acquisition, and will make the appropriate announcement as and when there is any material update or development.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors of the Company (the "**Board**" or "**Directors**"), I would like to express my sincere gratitude to all shareholders for your patience and understanding during this challenging time. As you may know, the Company is currently undergoing a period of restructuring and transformation and I would like to take this opportunity to walk you through some of the recent developments of the Company and our plans moving ahead.

On 17 October 2017, the Company has completed its debt restructuring exercise by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore ("**Scheme of Arrangement**" or "**Scheme**") and this constitutes a full satisfaction, complete extinguishment and discharge in full of all actual and contingent claims on or before 30 December 2016 against the Company. Notwithstanding the above, EQ Insurance Company Ltd. has, on 31 May 2018, issued a third party notice claims against the Company ("**Third Party Proceedings**") and the Company has filed a memorandum of appearance to contest the claims in the Third Party Proceedings. The Company is seeking legal advice on the Third Party Proceedings and is currently assessing the impact of the above claim. The Company will update the shareholders of the development, as and when appropriate.

On 28 May 2018, the constitution of the Board changed significantly with the cessation of Mr Jason Sim Chon Ang as Non-Executive Director and Group CEO, and Mr Sim Choon Joo as Executive Director. I was also re-designated to Executive Chairman on the same day. With the new Board in place, the Company is dedicating its limited resources to focus on the resumption of trading of the Company's shares. The Company has been working closely with its advisors to actively seek new business to be injected into the Company and come out with the Resumption Proposal for submission to the SGX-ST by 31 December 2018. In this regard, the Company is currently evaluating various options available that will best serve the interests of the Company's shareholders and will update the shareholders as and when there are any material developments.

Finally, I would like to reassure shareholders that the Company and the Board shall remain committed to rebuilding shareholders' value despite the difficulties that the Company is currently going through. I would also like to express my heartfelt appreciation to our loyal shareholders, Sponsor, advisors and service-providers for your continued support to the Company through the years. I would also like to record my gratitude to my fellow Directors for their commitment in assisting the Company to ride through this challenging time. I look forward to your continued support as we work together to turn the Group around.

Lim Chwee Kim
Executive Chairman
16 August 2018

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2017

Comprehensive Income

Revenue

The Group's revenue for FY2017 was derived from its 60%-owned subsidiary, WC, in projects and distribution relating to supply of structural clay, concrete products, ceramic, mosaic, tiles and cement works.

The Group recorded a decrease in revenue of approximately $3.42 million or 74% from WC due to gradual completion of existing projects during the year. A lack of financial resources coupled with slowdown in the market, resulting in lack of new projects also contributed to the decline in revenue.

Gross Profit

WC achieved gross profit of $0.45 million in FY2017. This was lower by $0.86 million or 65% when compared to FY2016 due to decrease in revenue of WC. Gross profit margin of 37% in FY2017 was higher by 9 percentage points when compared to 28% achieved by WC in FY2016 mainly due to both better management of stock wastages and lower percentage of direct materials and costs (labour and freight costs) required to complete existing projects.

Other Income

Other income increased by $0.61 million or 112% in FY2017. This was mainly due to higher gain on waiver of debts by Scheme creditors of the Company amounting to $1.12 million pursuant to the Scheme of Arrangement in FY2017 versus a gain from the recovery of previously impaired receivables of JPS amounting to $0.44 million recorded in FY2016.

Administrative Expenses

Administrative expenses declined by $0.64 million or 45%. This was mainly due to decrease in directors' remuneration, staff salary and related costs as all personnel of the Company had left the Company primarily from May 2016. Staff salary and related costs of WC also declined as a result of reduction in headcounts due to decrease in sales activities.

Other Expenses

Other expenses declined by $1.24 million or 57%. There was a provision by the Company for corporate guarantee given to banks of JPS amounting to $1.11 million in FY2016.

Loss for the Financial Year

The Group reported a loss of $0.12 million in FY2017 as compared to a loss of $4.92 million in FY2016. The decrease in loss was mainly due to the gain on waiver of debts by Scheme creditors of the Company amounting to $1.12 million pursuant to the Scheme of Arrangement in FY2017, the decrease in administrative expenses of $0.64 million and the absence in FY2017 of the loss from deconsolidation of JPS of $3.17 million and provision for corporate guarantee given to banks of JPS of $1.11 million which were recorded in FY2016. These decreases were offset by lower gross profit earned of $0.86 million on lower revenue in FY2017 versus FY2016.

FINANCIAL REVIEW – FINANCIAL YEAR ENDED 31 DECEMBER 2017

Financial Position

Assets

The Group's total assets decreased by 51% or $0.69 million from $1.35 million as at 31 December 2016 to $0.66 million as at 31 December 2017. The decrease is mainly attributable to (i) a decline in trade and other receivables of $0.43 million due to collection from WC's customers upon project completion; and (ii) a decrease in plant and equipment of $0.17 million due to depreciation and full impairment provision.

Liabilities

The Group's total liabilities decreased by 54% or $2.08 million from $3.83 million as at 31 December 2016 to $1.75 million as at 31 December 2017. The decrease is mainly attributable to a decrease in trade and other payables of $2.08 million.

Other payables of the Company decreased from $2.52 million as at 31 December 2016 to $0.59 million as at 31 December 2017 mainly due to the implementation of the Scheme of Arrangement by the Company to extinguish the debts due to Scheme creditors as at 30 December 2016 via issuance of 513,253,595 Scheme shares and cash payment of $750,000 as Scheme consideration as full and final settlement of all liabilities owed by the Company to these Scheme creditors. The Company recognised a gain on waiver of debts by Scheme creditors of the Company amounting to $1.12 million in FY2017.

Going Concern

For the FY2017, the Group recorded a net loss of $0.12 million, generated negative cash flows of $1.05 million from operating activities, and as at 31 December 2017, the Group and the Company have net current liabilities of $1.09 million and $0.59 million respectively and have a capital deficit of $1.09 million and $0.59 million respectively.

The financial statements of the Group and the Company have been prepared on the going concern basis. The ability of the Group and the Company to continue as going concerns are dependent on the injection of new business and assets into the Company and the undertaking of Mr Lim Chwee Kim, Executive Chairman and a controlling shareholder of the Company, to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. In addition, a director of WC has undertaken to provide continuing financial support to WC.

BOARD OF DIRECTORS

LIM CHWEE KIM
Executive Chairman

Mr Lim Chwee Kim joined the Board as Non-Executive Chairman on 10 December 2015. He was re-elected and re-designated as Executive Chairman on 28 May 2018.

Mr Lim was previously the founder and CEO of RichLand Group Limited ("**RGL**") where his primary responsibility was to formulate business strategies to chart the future growth of the group. Mr Lim started the business of providing cargo transportation services, container haulage and project cargo movement in 1992 under a sole proprietorship known as RichLand Cargo Trucking & Labour Service Agency ("**RichLand Agency**") and spearheaded the group's expansion into related businesses such as airport cargo terminal handling in 1994 and warehousing, storage and micro distribution in 1996. In 2008, Mr Lim sold his controlling stake in RGL and subsequently acquired from RGL the China investment holding company, RLG Holdings Pte. Ltd. ("**RLG Holdings**") and its subsidiaries in China, as he decided to continue to develop the land development investment project in Chengdu, China. RLG Holdings was renamed as BroyLand Holdings Pte. Ltd. in 2009. The core businesses of BroyLand Holdings Pte. Ltd. are logistics, freight forwarding and cargo service agency, as well as commercial properties and sale of sand and granite.

Mr Lim was also an executive director of Fuyuan Resources Pte. Ltd., a company engaged in the sale of sand, granite and building materials, since its incorporation in 1999 until 2012. Mr Lim is currently an independent director of Union Gas Holdings Limited (listed on Catalist) and the vice chairman of the Citizen Consultative Committee of Hougang Single Member Constituency (SMC).

WUI HECK KOON
Lead Independent Director

Mr Wui Heck Koon joined the Board on 11 June 2014 and was last re-elected on 28 May 2018.

Mr Wui is the group chief financial officer of Serial System Ltd, a company listed on the Main Board of Singapore Stock Exchange. He joined Serial System Ltd in 2000 and was appointed group company secretary the following year and group financial controller in 2006. He was re-designated as its group chief financial officer in 2011.

Mr Wui is a Chartered Accountant with corporate advisory and public accounting experience gained with an international accounting firm. He obtained a Bachelor of Accountancy with Honours from the Nanyang Technological University in 1993 and a Master of Business Administration from the Warwick Business School in the United Kingdom in 2010.

KARAM SINGH PARMAR
Independent Director

Mr Karam Singh Parmar joined the Board on 26 June 2012 and was last re-elected on 28 May 2018.

Mr Karam is a senior partner of Tan Kok Quan Partnership and heads its Building and Construction department. Prior to this, he worked with Lee & Lee from 1993 to 2000 as a trainee, legal associate and partner successively. He was an assistant treasurer in the corporate planning department of DBS Bank Ltd. from 1989 to 1990. Mr Karam currently sits on the board of two non-listed companies.

Mr Karam obtained a Bachelor of Engineering (Civil) degree from the National University of Singapore in 1988, and a Bachelor of Laws degree from the University of London in 1991. He received his Master of Science in Construction Law and Arbitration from King's College, University of London, in 1997.

BOARD OF DIRECTORS

TAN LAI HENG
Independent Director

Mr Tan Lai Heng joined the Board on 26 June 2012 and was last re-elected on 28 May 2018.

Mr Tan is the executive chairman of ETLA Limited, which together with its subsidiaries, form the Asian mechatronics division of Singapore-listed Frencken Group Limited. He also sat on the board of Frencken Group Limited as an executive director from July 2009 to April 2016. Mr Tan founded Eng Tic Lee Engineering in 1985 to provide air-conditioner ducting to the automobile industry. He subsequently founded Eng Tic Lee Achieve Pte. Ltd. (formerly known as Eng Tic Lee Engineering (S) Pte Ltd) in 1992 to further expand the business by providing metal fabrication and engineering services, contract equipment manufacturing services and metal fabrication services. Mr Tan was its managing director until 2006.

CORPORATE INFORMATION

Board of Directors

Lim Chwee Kim
Executive Chairman

Wui Heck Koon
Lead Independent Director

Karam Singh Parmar
Independent Director

Tan Lai Heng
Independent Director

Audit Committee

Wui Heck Koon (Chairman)
Karam Singh Parmar
Tan Lai Heng

Nominating Committee

Karam Singh Parmar (Chairman)
Wui Heck Koon
Tan Lai Heng

Remuneration Committee

Karam Singh Parmar (Chairman)
Wui Heck Koon
Tan Lai Heng

Company Secretary

Wong Yoen Har (ACIS)

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Company Sponsor

SAC Capital Private Limited
1 Robinson Road #21-00
AIA Tower
Singapore 048542

Registered Office

11 Tampines Street 92
#03-05 Tampines BizHub
Singapore 528872
Tel : (65) 6753 0883
Fax : (65) 6753 5833

Independent Auditor

Moore Stephens LLP
Public Accountants and Chartered Accountants
10 Anson Road
#29-15 International Plaza
Singapore 079903
Audit Partner: Mr. Neo Keng Jin
(since financial year ended 31 December 2017)

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of good corporate governance practices within the Group to safeguard the interest of shareholders and to enhance corporate value and accountability. The Board will continue to be committed to enhancing the Group's corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Singapore Code of Corporate Governance 2012 (the **"2012 CG Code**") and the requirements under Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the "**Catalist Rules**").

This Corporate Governance Report describes the Company's corporate governance practices and structures that were in place during the financial year ended 31 December 2017 ("**FY2017**") with reference to the 2012 CG Code. Where there are deviations from the recommendations of the 2012 CG Code, appropriate explanations have been provided.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with the management of the company to achieve this objective and the management remains accountable to the board.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group. Matters which specifically require the Board's decision or approval are those involving:

(a) corporate strategy and business plans;
(b) investment and divestment proposals;
(c) funding decisions of the Group;
(d) nominations of Directors for appointment and re-appointment to the Board and appointment of key personnel;
(e) announcement of half-year and full-year results, the annual report and accounts;
(f) material acquisitions and disposals of assets; and
(g) all matters of strategic importance.

Certain matters are delegated to committees whose actions are monitored by the Board. These committees include the Audit Committee ("**AC**"), the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Special Committee, which operate within clearly defined terms of reference and functional procedures.

All Directors exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times the interests of the Company.

The Board meets regularly with at least two scheduled meetings held within each financial year. The Board also holds meetings when warranted by particular circumstances, as deemed appropriate by the Board members. The Company's Constitution allows Board meetings to be conducted by way of telephone conferencing, video conferencing and through other electronic means of communication. The Board and Board committees may also make decisions through circulating resolutions.

There were no formal Board or Board committee meetings held in FY2017. However, the Special Committee, which consists of Lim Chwee Kim, Wui Heck Koon, Karam Singh Parmar and Tan Lai Heng, met on ad hoc basis to discuss mainly on the debt restructuring plans and plans for resumption of trading.

A formal letter of appointment is furnished to every newly appointed Director upon their appointment setting out their roles, obligations, duties and responsibilities as members of the Board. Newly appointed Directors will undergo an orientation programme with materials provided to help them get familiarised with the business and

CORPORATE GOVERNANCE REPORT

organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the management of the Group ("**Management**"). Directors may, at any time, request for further explanations through informal discussions on any aspect of the Group's operations or business issues from the Management.

They are briefed on the Company's corporate governance practices, regulatory regime and their duties as Directors. Directors are updated regularly on changes in relevant laws and regulations, developments and business initiatives and challenges related to the Group and industry.

The Company is responsible for arranging and funding the training of Directors. Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, the SGX-ST, business and financial institutions as well as consultants. The Company will provide training for Director who has no prior experience as a director of a listed company.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the board's decision making.

As at the date of this Corporate Governance Report, the Board comprises the following Directors:

Executive Director

Lim Chwee Kim	Executive Chairman

Non-Executive Directors

Wui Heck Koon	Lead Independent Director
Karam Singh Parmar	Independent Director
Tan Lai Heng	Independent Director

There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in law, accounting, finance, business and management and strategic planning. The profile of the Directors is set out on the "Board of Directors" section on pages 5 and 6 of this Annual Report.

The Board currently comprises three Independent Directors and one Executive Director. There is therefore a good balance between the Executive and Non-Executive Directors to maintain a strong and independent element on the Board. The Board noted and has complied with the requirement under the 2012 CG Code for independent directors to make up at least half of the Board. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs.

The Board through the NC has examined its size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

The independence of each Director is reviewed annually by the NC. The NC adopts the definition in the 2012 CG Code and guidelines provided in the Audit Committee Guidance Committee Guidebook as to what constitutes an independent director in its review to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. The NC is of the view that Wui Heck Koon, Karam Singh Parmar and Tan Lai Heng are independent. The Independent Directors do not have any relationships including immediate family relationships with the Directors, the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

CORPORATE GOVERNANCE REPORT

None of the Independent Directors has served on the Board beyond nine years from the date of his first appointment.

The Non-Executive Directors will constructively challenge the Executive Director and the Management and assist in the development of proposals on strategy, and review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. When necessary, the Non-Executive Directors will have discussions amongst themselves without the presence of the Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

With effect from 28 May 2018, Lim Chwee Kim has been re-designated from Non-Executive Chairman to Executive Chairman of the Company. The role and the responsibilities of the Executive Chairman include but not limited to the arrangement of board meetings as well as to promote a culture of openness and debate at the Board to ensure the Board's effectiveness. Besides ensuring that the Directors receive complete, adequate and timely information, the role of the Executive Chairman includes ensuring effective communication with shareholders and promoting high standards of corporate governance.

Lim Chwee Kim is a controlling shareholder of the Company and has been playing an instrumental role in the debt restructuring and future business plans of the Company. To ensure that shareholders' interests are protected, the Company has appointed Wui Heck Koon as its Lead Independent Director. The Lead Independent Director is available to shareholders to whom concerns may be conveyed to as and when the need arises.

The Independent Directors meet at least once annually without the presence of the Executive Directors and the Management, and the Lead Independent Director will provide feedback to the Chairman of the Board after such meetings, if necessary.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the board.

The NC makes recommendation to the Board on all board appointments. The NC comprises three members and all of them are Independent Directors. The members of the NC are as follows:

Karam Singh Parmar	(Chairman)
Wui Heck Koon	(Member)
Tan Lai Heng	(Member)

CORPORATE GOVERNANCE REPORT

The nature of the Directors' appointment on the Board and details of their membership on the Board committees as at the date of this Corporate Governance Report are set out as below:

Director	Board Membership	AC	RC	NC
Lim Chwee Kim (1)	Executive Chairman	–	–	–
Wui Heck Koon	Lead Independent Director	Chairman	Member	Member
Karam Singh Parmar	Independent Director	Member	Chairman	Chairman
Tan Lai Heng	Independent Director	Member	Member	Member

Note:

(1) Lim Chwee Kim was re-designated from Non-Executive Chairman to Executive Chairman of the Company on 28 May 2018.

The NC has written terms of reference that describe its duties and the responsibilities of its members. The principal functions of the NC are as follows:

(a) to review and recommend the nomination or re-nomination of Directors having regard to their contribution and performance;
(b) to determine on an annual basis whether or not a Director is independent;
(c) to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into account the Director's number of listed company board representations and other principal commitments;
(d) to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board; and
(e) to recommend to the Board the review of Board succession plans for the Directors, in particular, for the Chairman of the Board and the CEO.

To address the competing time commitments that are faced by the Directors who serve on multiple boards of publicly listed companies, the Board has determined that the maximum number of listed company board representations each Director is allowed to hold is as follows:

(a) six directorships without other executive role; or
(b) four directorships with other executive role(s).

There is no alternate Director on the Board.

The NC also leads the process for the search, identification, evaluation and selection of suitable candidates for new directorship. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board. The NC also reviews the composition of the Board including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement and provide diversity to the Board's existing attributes.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. The NC takes into consideration the skills and experience required and the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and abilities when recommending new directors to the Board.

The process for the appointment of new directors begins with the NC conducting a needs analysis and identifying the critical requirement in terms of expertise and skills that are needed in the context of the strengths

CORPORATE GOVERNANCE REPORT

and weaknesses of the existing Board. When a candidate has been endorsed by the NC, the NC will then make a recommendation to the Board for the approval of his appointment.

New directors are appointed only after the NC has reviewed and nominated them by taking into consideration the qualification and experience of each candidate, his/her ability to enhance the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives.

Under the Company's Constitution, all Directors are required to submit themselves for re-nomination and re-election every three years. Directors who retire are eligible to offer themselves for re-election. Further, at each annual general meeting ("**AGM**") at least one-third of the Directors (or, if the number of Directors is not a multiple of three, the number of Directors nearest to but not less than one-third of the number of Directors) shall retire from office by rotation.

The NC assesses and recommends to the Board whether retiring Directors are suitable for re-nomination for re-election. In evaluating a Director's contribution and performance for the purpose of re-nomination, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

The NC has reviewed and satisfied that Tan Lai Heng and Wui Heck Koon, who are retiring pursuant to Article 98 of the Company's Constitution, are properly qualified for re-elections by virtue of their skills, experience and contributions. Upon re-election, Wui Heck Koon will remain as Lead Independent Director of the Company while Tan Lai Heng will remain as Independent Directors of the Company.

Each member of the NC has abstained from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director of the Company. In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he will abstain from participating in the review and approval process relating to that matter.

The date of initial appointment and last re-election of each Director, together with his directorships in other listed companies in the past three financial years and to-date, are set out below:

				Directorships in other listed companies	
Director	**Position**	**Date of Initial Appointment**	**Date of Last Re-election**	**Current**	**Past (FY2015 – FY2017 and up to the date of this Corporate Governance Report)**
Lim Chwee Kim (1)	Executive Chairman	10/12/2015	28/05/2018	Union Gas Holdings Limited	–
Wui Heck Koon	Lead Independent Director	11/06/2014	28/05/2018	–	–
Karam Singh Parmar	Independent Director	26/06/2012	28/05/2018	–	–
Tan Lai Heng	Independent Director	26/06/2012	28/05/2018	–	Frencken Group Limited

Note:
(1) Lim Chwee Kim was re-designated from Non-Executive Chairman to Executive Chairman of the Company on 28 May 2018.

CORPORATE GOVERNANCE REPORT

Further key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" section on pages 5 and 6 and "Directors' Statement for Financial Year ended 31 December 2017" section on pages 24 to 25 of this Annual Report.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which addresses how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution from each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance and the performance of individual Directors. Where relevant, the NC will consider such engagement.

The evaluations of the Board, the Board committees and individual directors are conducted annually. As part of the process, the Directors will complete appraisal forms which are collated by the Company Secretary. The Company Secretary will then review the results of the appraisal and present the results to the Chairman of the NC who will then present a report to the Board.

The appraisal process for the Board focuses on the evaluation of factors such as the Board structure, the Board's conduct of meetings, effectiveness in its monitoring role and the attainment of the strategic objectives, and effectiveness in its communication with shareholders. The evaluation of the Board committees focuses on the effectiveness of their respective supporting roles to the Board.

The process of the individual assessment is through self-assessment where each Director will complete appraisal forms. Some factors considered in the individual assessment are Director's attendance and participation in and outside meetings, as well as the quality of Director's contributions of the Director.

For FY2017, the NC is satisfied with the effectiveness of the Board and the Board committee, and the contribution by each Director (only includes the Directors on the Board as at the date of this Corporate Governance Report) to the effectiveness of the Board.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are furnished with information from the management of White Cubic Pte Ltd ("**WC**") about the business and financial of WC as well as updated with the status of the ongoing search for new business from the Executive Chairman which were discussed at Board and AC meetings or informal meetings.

All Board members have separate and independent access to the Management and Company Secretary. The Company Secretary attends all Board meetings. The Company Secretary is responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act, Chapter 50 of Singapore, and the provisions in the Catalist Rules are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

CORPORATE GOVERNANCE REPORT

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three members and all of them are Independent Directors. No Director is involved in deciding his own remuneration. The members of the RC are as follows:

Karam Singh Parmar	(Chairman)
Wui Heck Koon	(Member)
Tan Lai Heng	(Member)

The RC has written terms of reference that describe the responsibilities of its members as follows:

(a) to review and approve the policy for determining the remuneration of the executives of the Group, including that of the Executive Director, CEO and other key management executives;
(b) to review the on-going appropriateness and relevance of our executive remuneration policy and other benefit programmes;
(c) to consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each member of key management (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;
(d) to review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
(e) to consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each member of key management;
(f) to determine, review and approve the design of all option plans, stock plans and/or other equity-based plans that the Group proposes to implement, to determine each year whether awards will be made under such plans, to review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review, approve and keep under review performance hurdles and/or fulfilment of performance hurdles under such plans;
(g) to approve the remuneration framework (including Directors' fees) for Non-Executive Directors on the relevant boards of directors within the Group; and
(h) to review the remuneration of employees who are related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and to determine the remuneration package for the Executive Director and the CEO. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

In its review, the RC's objective is to establish and maintain a level of remuneration that would be appropriate to attract, retain and motivate the Directors and key management personnel to run the Group successfully. The

CORPORATE GOVERNANCE REPORT

RC also ensures that the remuneration policies and systems of the Group support the Group's objectives and strategies.

In the case of service contracts, the RC will consider what compensation commitments the Directors' or key management personnel's contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance.

The RC will engage professional advice in relation to remuneration matters as and when the need arises. The RC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long–term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company has a remuneration policy for the Executive Directors, which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus, which takes into account the performance of the Company and the performance of the Executive Directors. The recommendations of the RC on remuneration of Directors would be submitted for endorsement by the entire Board.

In setting the remuneration packages of the Executive Directors and key management personnel, the Company takes into consideration the remuneration and employment conditions and makes a comparative study of the packages of the Executive Directors and key management personnel in comparable companies/industries as well as the Group's relative performance.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as the variable components of the Executive Directors and key management personnel are moderate. In addition, the Executive Directors owes a fiduciary duty to the Company. The Company should be able to avail itself to remedy against the Executive Directors in the event of such breach of fiduciary duties.

The former CEO, Jason Sim Chon Ang was paid based on his service agreement with the Company as disclosed in the Company's Offer Document dated 13 September 2012. He was paid till 24 May 2016 following the suspension of his appointment as CEO. Jason Sim Chon Ang resigned as CEO and Non-Executive Director of the Company on 28 May 2018. Save for Jason Sim Chon Ang, none of the Directors has a service agreement with the Company in FY2017 and up to the date of this Corporate Governance Reports.

The Independent Directors are paid fixed Directors' fees, which are determined by the Board, appropriate to their level of contribution, taking into account factors such as the effort and time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at each AGM. The Independent Directors do not receive any other remuneration from the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

The Company does not have any employee share option scheme or other long-term employee incentive scheme.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedures for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown, showing the level and mix of each individual Director's remuneration for FY2017 are as follows:

Director	Salary %	Bonus %	Benefits %	Directors' Fees [3] %	Total $
Lim Chwee Kim [1]	-	-	-	-	-
Jason Sim Chon Ang [2]	-	-	-	-	-
Sim Choon Joo [2]	-	-	-	-	-
Wui Heck Koon	-	-	-	100	35,000
Karam Singh Parmar	-	-	-	100	30,000
Tan Lai Heng	-	-	-	100	30,000

Notes:

(1) Lim Chwee Kim was re-designated from Non-Executive Chairman to Executive Chairman of the Company on 28 May 2018. He was not paid remuneration for FY2017.

(2) Jason Sim Chon Ang and Sim Choon Joo resigned as directors of the Company on 28 May 2018. They were not paid remuneration for FY2017.

(3) The Directors' fees amounting to $95,000 for FY2017 have not been approved by the shareholders of the Company but has been accrued in FY2017. The Directors' fees for FY2017 will be tabled for the approval of the shareholders of the Company at the forthcoming AGM on 31 August 2018.

The Company adopts a remuneration strategy that supports pay-for-performance. The Company adopts certain key performance indicators that link with the Company's performance and shareholders' returns. The annual performance review of executives assesses the individual performance and contributions. The remuneration structure for the executives consists of the following components:

- Salary – fixed pay comprises basic salary and statutory contributions;
- Bonus – based on Company's and individual performance; and
- Other benefits – usage of Company's car and other benefits in kind.

There were no key management personnel during FY2017. Accordingly, there were no breakdown showing the level and mix of top key management personnel (who are not Directors or CEO) for FY2017.

When appropriate, shareholders' approval will be sought at a general meeting to be convene for the payment of Directors' fees.

There are no termination, retirement and post-employment benefits granted to the Directors, the CEO or the top key management personnel.

CORPORATE GOVERNANCE REPORT

There is no employee of the Group whose remuneration exceeds $50,000 during FY2017 is an immediate family member of any of the Directors or CEO.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The board should present a balanced and understandable assessment of the Company's performance, position and prospects.

In line with the continuing disclosure obligations of the Company under the Catalist Rules, it is the Board's policy that shareholders be informed of all major developments of the Company. Information is presented to shareholders on a timely basis through SGXNet. In presenting the annual reports of the Company, and the half year and full year financial results announcements to the shareholders of the Company, it is the responsibility of the Board to provide the shareholders with a balanced and understandable assessment of the Group's financial position, performance and prospects.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations on a periodical basis to enable the Board to make a balanced and informed assessment of the Group's financial position, performance and prospects. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making. However, as all personnel have left the employment of the Company, the Board has endeavored to discharge its duties and responsibilities in relation to the Company's FY2017 financial status without any support from the Management, and WC's FY2017 financial status with the assistance of the management of WC.

Aside from adopting corporate governance practices in line with the spirit of the 2012 CG Code, the Board also takes adequate steps, with the assistance from its advisors, to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosures under the Catalist Rules. Further, arising from winding up of JPS, the Board has been announcing and will continue to announce a monthly update regarding the Group's financial situation in accordance with Rule 704(22) of the Catalist Rules until the liquidation is completed.

Risk Management and Internal Controls

Principle 11: The board is responsible for the governance of risk. The board should ensure that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the board is willing to take in achieving its strategic objectives.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has the ultimate responsibility of approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk

CORPORATE GOVERNANCE REPORT

governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The Board has approved a Group Risk Management Framework for the identification of key risks within the business which is aligned with the ISO 31000:2009 Risk Management framework. The AC oversees risk governance which includes the following roles and responsibilities:

(a) proposes the risk governance approach and risk policies for the Group to the Board;
(b) reviews the risk management methodology adopted by the Group;
(c) reviews the strategic, financial, operational, regulatory, compliance, information technology and other emerging risks relevant to the Group identified by the Management; and
(d) reviews the Management's assessment of risks and the Management's action plans to mitigate such risks.

The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls framework, including financial, operational, compliance and information technology controls at least on an annual basis.

For FY2017, the Executive Chairman has provided his confirmation to the Board that (a) the financial records have been properly maintained and the financial statements of the Company give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective. In addition, the director of WC has provided his confirmation to the Board that (a) the financial records have been properly maintained and the financial statements of WC give a true and fair view of WC's operations and finances; and (b) WC's risk management and internal control systems are adequate and effective.

Based on: (a) the work performed by the external auditors; and (b) the abovementioned confirmations received from the Executive Chairman and the director of WC, the Board, with the concurrence of the AC, is of the opinion that the Company's current internal control procedures in place to address financial, operational, compliance, information technology controls and risk management systems are adequate and effective.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly sets out its authority and duties.

The AC comprises three members and all of them are Independent Directors:

Wui Heck Koon	(Chairman)
Karam Singh Parmar	(Member)
Tan Lai Heng	(Member)

The AC has written terms of reference that describe the responsibilities of its members. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties.

The AC assists the Board in discharging its responsibilities to safeguard the assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC provides a channel of communication between the Board, the Management and the external auditors on matters relating to audit. The AC meets periodically, *inter alia*, to:

(a) review the audit plans of the external auditors and internal auditors, including the results of the external auditors and internal auditors' review and evaluation of the system of internal controls of the Group;

CORPORATE GOVERNANCE REPORT

(b) review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the external auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
(c) review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the Catalist Rules before submission to the Board for approval;
(d) review and discuss with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
(e) review the co-operation given by the Management to the external auditors;
(f) consider the appointment or re-appointment of the external auditors;
(g) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
(h) review any potential conflicts of interests;
(i) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
(j) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
(k) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time; and
(l) oversee risk governance.

Apart from the duties listed above, the AC will commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC will also commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any). Prior to the decommissioning of such annual audit, the Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by the AC as and when it deems fit to satisfy itself that the Group's internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNet of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by the Board. There was no internal audit performed in FY2017. Please refer to Principal 13 below for more details.

The AC has explicit authority to investigate any matter within its terms of reference. With limited resources coupled with the fact that all management personnel have left the employment of the Company, the AC currently does not have full access to and/or the cooperation of the Management to discharge its function properly. However, it has full discretion to invite any Executive Director or key management personnel of its subsidiary to attend its meetings.

In the discharge of its functions and duties, the AC had carried out activities which are in line with the terms of reference of the AC for FY2017.

The AC meets with the external and internal auditors, without the presence of the Management, at least once a year. The AC met with the external auditors, without the presence of the Management to discuss the audit

CORPORATE GOVERNANCE REPORT

matters for FY2017. There was no meeting with internal auditors for FY2017 as no internal audit was performed in FY2017. Please refer to Principal 13 below for more details.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. In respect of FY2017, the aggregate amount of audit fees paid or payable to the external auditors for audit services amounted to $42,000. There was no non-audit fee paid or payable to the external auditors for FY2017.

For FY2017, the AC has reviewed and is satisfied with the independence and objectivity of the external auditors. In the AC's opinion, Moore Stephens LLP is suitable for re-appointment and it has accordingly recommended to the Board that Moore Stephens LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM to be held on 31 August 2018.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group. No former partner or director of the Company's existing auditing firm is a member of the AC.

The Board has, on the recommendation of the AC, implemented a whistle-blowing policy whereby the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware. No whistle-blowing letter or email was received in FY2017.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC approves the hiring, removal, evaluation and remuneration of the consultancy firm to which the internal audit function is outsourced. The IA reports directly to the AC and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions to the Management are reported to the AC periodically.

The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that the Management provides the necessary co-operation to enable the IA to perform its function.

The AC periodically assesses the composition of the IA staff performing the internal audit to ensure they have the relevant qualifications and experience for their planned scope of work.

The AC will ensure that the IA is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The AC annually reviews the adequacy of the internal audit function to ensure that the internal audits are performed effectively.

Due to the special circumstances of the Company and lack of resources, no internal audit was performed in FY2017.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet, especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also posted onto the SGXNet on the day of despatch of the annual reports or circulars to shareholders. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings.

The Company's Constitution also allows shareholders to appoint up to two proxies in their absence to attend and vote on their behalf at the general meetings. Further, the Company allows corporations which provide nominee or custodial services to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, Chapter 50 of Singapore, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group. Further, arising from the winding up of JPS, the Board has been announcing and will continue to announce a monthly update regarding the Group's financial situation in accordance with Rule 704(22) of the Catalist Rules until the liquidation is completed.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNet either before the Company meets with any investor or analyst, or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

The Company currently does not have a fixed dividend policy as the form, frequency and amount of dividends depends on the Company's performance. The Management after reviewing the performance of the Company in the relevant financial period will make appropriate recommendations to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNet. No dividend is recommended for FY2017 as the Group recorded losses.

CORPORATE GOVERNANCE REPORT

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are given the opportunity and time to voice their views and ask the Directors or the Management pertinent questions at the Company's AGMs and other general meetings. The Chairman of the Board and each Board committee is required to be present to address questions at the AGMs and other general meetings. External auditors are also present at such meeting to assist the Directors to address any relevant shareholders' queries about the conduct of audit as well as the preparation and content of the auditors' report, if necessary.

The Company's Constitution currently does not allow a shareholder to vote in absentia as the authentication of shareholders' identity information and other related integrity issues still remain a concern.

The proceeding of the general meetings will be properly recorded, including all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management, and to make these minutes available to shareholders upon their request.

Resolutions are, as far as possible, structured separately and voted on independently. Shareholders are invited to put forth any questions they may have on the motions to be debated and decided upon.

Resolutions are passed at general meetings by poll. This will entail shareholders being invited to vote on each of the resolutions by poll, using polling slips (rather than by a show of hands), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The Company will employ electronic polling if necessary. Announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will also be made on the same day. The results of all general meetings are released on SGXNet on the same day.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted policies in line with the requirements of the Catalist Rules on dealings in the Company's securities. The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information of the Group. They are not allowed to deal in the Company's shares during the period of one month prior to the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions (**"IPT**") will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

No general mandate has been obtained from shareholders in respect of IPT for FY2017.

During FY2017, the Company issued 2,000,000,000 shares at $0.0005 per share amounting to $1,000,000 to Lim Chwee Kim, Executive Chairman and controlling shareholder of the Company in accordance to a placement

CORPORATE GOVERNANCE REPORT

agreement dated 24 February 2017 ("**Placement Agreement**"). The shares placement pursuant to the Placement Agreement has been approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 31 May 2017.

There were no other interested person transactions entered into during FY2017 with a value of more than $100,000 each.

Non-Sponsorship Fees

With reference to Rule 1204(21) of the Catalist Rules, save for the non-sponsorship fee of $40,000 paid by the Company to its Sponsor, SAC Capital Private Limited, for acting as the independent financial adviser of the proposed whitewash resolution, there were no other non-sponsorship fees paid in FY2017.

Material Contracts

Save for the Placement Agreement entered into with Lim Chwee Kim, Executive Chairman and controlling shareholder of the Company, the details of which are set out in the circular to shareholders of the Company dated 16 May 2017, there were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, either still subsisting at the end of FY2017 or if not then subsisting, which were entered into since the end of FY2016.

Use of Proceeds from the Share Placement

As at the date of this Annual Report, the Company has utilised $990,000 of the $1,000,000 proceeds from the shares placement to Lim Chwee Kim, Executive Chairman and controlling shareholder of the Company pursuant to the Placement Agreement in accordance to the stated use of proceeds as follows:

(a) $750,000 has been utilised towards the payment of the Scheme consideration to the participating creditors to compromise in full all actual and contingent claims against the Company pursuant to the Scheme;
(b) $236,000 has been utilised to pay for professional fees in relation to the shares placement and the Scheme; and
(c) $4,000 has been utilised for the Company's working capital.

The balance $10,000 will be used to fund the Company's working capital.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their statement to the members together with the audited consolidated financial statements of Jason Holdings Limited (the "**Company**") and its subsidiary (the "**Group**") for the financial year ended 31 December 2017 and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as disclosed in Note 2.1 to the financial statements.

1 Directors

The directors of the Company in office at the date of this statement are:

Lim Chwee Kim	(Executive Chairman)
Wui Heck Koon	(Lead Independent Director)
Tan Lai Heng	(Independent Director)
Karam Singh Parmar	(Independent Director)

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was, the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, except for the share placement as disclosed in Note 24 to the financial statements.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 Directors' Interests in Shares or Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations as stated below:

	Shareholdings registered in the name of directors	
	At 1 January 2017	At 31 December 2017
The Company		
No. of ordinary shares		
Jason Sim Chon Ang (Resigned on 28 May 2018)	51,028,000	53,716,313
Sim Choon Joo (Resigned on 28 May 2018)	5,400,000	5,400,000
Lim Chwee Kim	42,800,000	2,042,800,000
Wui Heck Koon	-	1,777,252
Tan Lai Heng	-	1,523,359
Karam Singh Parmar	-	1,523,359

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr Lim Chwee Kim is deemed to be interested in the shares held by the Company in its subsidiary.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2018.

4 Share Options

There were no options granted during the financial year to subscribe for unissued shares of the Company and its subsidiary.

No shares have been issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company and its subsidiary.

There were no unissued shares under option at the end of the financial year in respect of shares of the Company and its subsidiary.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5 Audit Committee

The audit committee of the Company is chaired by Wui Heck Koon, an independent Director, and includes Tan Lai Heng and Karam Singh Parmar, who are both independent Directors. The audit committee's functions in accordance to Section 201B(5) of the Singapore Companies Act, Chapter 50, include the following:

(a) review the audit plans of the external auditors and internal auditors, including the results of the external auditors and internal auditors' review and evaluation of the system of internal controls of the Group;
(b) review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the external auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
(c) review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the Catalist Rules before submission to the Board for approval;
(d) review and discuss with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
(e) review the co-operation given by the Management to the external auditors;
(f) consider the appointment or re-appointment of the external auditors;
(g) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
(h) review any potential conflicts of interests;
(i) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the audit committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
(j) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the audit committee;
(k) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time; and
(l) oversee risk governance.

The audit committee has recommended to the Directors the nomination of Moore Stephens LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

Further information regarding the audit committee are detailed in the Corporate Governance Report set out in the Annual Report of the Company.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Lim Chwee Kim
Director

Wui Heck Koon
Director

Singapore
10 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JASON HOLDINGS LIMITED (INCORPORATED IN SINGAPORE)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Jason Holdings Limited (the "**Company**") and its subsidiary (the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The financial statements for the previous year ended 31 December 2016 were audited by another auditor who expressed a disclaimer of opinion on those financial statements on the following matters:

Item 1 Scheme of Arrangement and liabilities of the Company and subsequent events;
Item 2 Impairment of plant and equipment of a subsidiary, White Cubic Pte Ltd ("**WC**");
Item 3 Commercial Affairs Department of the Singapore Police Force ("**CAD**") investigation against a director of the Company and JPS;
Item 4 Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") - Winding up of JPS and other scope limitations;
Item 5 Jason Holdings Limited - Significant limitation of staff resources, completeness and accuracy of records and other scope limitations; and
Item 6 Going concern.

As disclosed in Note 25 to the financial statements, items 1, 2 and 3 are considered resolved during the current year ended 31 December 2017.

An update of items 4, 5 and 6 are as follows:

Item 4 Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") - Winding up of JPS and other scope limitations

During the previous year ended 31 December 2016, a winding up order was made against JPS, a principal operating subsidiary of the Company, by the High Court of Singapore. Liquidators were appointed on 10 June 2016 and consequently, the Group lost control of JPS on that date. The Group did not consolidate the financial statements of JPS from 1 January 2016 to 10 June 2016.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JASON HOLDINGS LIMITED (INCORPORATED IN SINGAPORE)

(cont'd)

Basis for Disclaimer of Opinion (cont'd)

Item 4 Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") - Winding up of JPS and other scope limitations (cont'd)

The previous year's auditor was unable to obtain sufficient appropriate audit evidence to ascertain whether the results of JPS for the period from 1 January 2016 to 10 June 2016 were material; was unable to conclude whether the Group's consolidated financial statements are materially misstated in relation to the non-consolidation of JPS from 1 January 2016 instead of 10 June 2016; and was unable to ascertain whether the loss from deconsolidation of subsidiary of S$3,170,124 and related disclosures were appropriate.

As JPS was wound up and deconsolidated during the previous financial year, this matter does not have an impact to the current year's financial statements. However, our opinion is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Item 5 Jason Holdings Limited - Significant limitation of staff resources, completeness and accuracy of records and other scope limitations

The previous year's auditor was unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the completeness and accuracy of the Company's underlying accounting and other records, including journal entries and source documents; and was unable to ascertain the existence, completeness, accuracy, valuation and/or classification, and related disclosures, of various transactions and balances relating to the Company. Accordingly, they were unable to conclude whether the financial information of the Company which had been consolidated in the Group's consolidated financial statements were free from material misstatement and whether any adjustment may be necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 31 December 2016.

The Company has engaged an external party to maintain the financial information and prepare the financial statements for the current year ended 31 December 2017.

Accordingly, this matter is considered resolved during the current year ended 31 December 2017, except that our audit opinion is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JASON HOLDINGS LIMITED (INCORPORATED IN SINGAPORE)

(cont'd)

Basis for Disclaimer of Opinion (cont'd)

Item 6 Going concern

As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of S$121,201 (2016: S$4,920,863) for the current year ended 31 December 2017 and, as of that date, the Group and the Company have net current liabilities of S$1,088,841 (2016: S$2,649,326) and S$585,934 (2016: S$2,469,956) respectively. As at 31 December 2017, the Group and the Company have a capital deficit of S$1,088,841 (2016: S$2,480,894) and S$585,934 (2016: S$2,469,956) respectively. These conditions indicate the existence of material uncertainties which may cast significant doubt as to the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

The accompanying financial statements have been prepared on the assumption that the Group and the Company will continue as going concerns. As disclosed in Note 2.1 to the financial statements, the ability of the Group and Company to continue as going concerns are dependent on the injection of new business and assets into the Company and the undertaking of its ultimate controlling shareholder to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. In addition, a director of its subsidiary has undertaken to provide continuing financial support to the subsidiary.

In the light of the material uncertainties discussed above, we do not have sufficient appropriate audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Consequently, we were unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

In the event that the Group and the Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for liabilities that might arise. No such adjustments have been made to these financial statements.

Other Matter

The financial statements of the Group and of the Company for the year ended 31 December 2016 were audited by another firm of auditors who expressed a disclaimer of opinion on those financial statements on 16 April 2018.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JASON HOLDINGS LIMITED (INCORPORATED IN SINGAPORE)

(cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore (FRSs), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JASON HOLDINGS LIMITED (INCORPORATED IN SINGAPORE)

(cont'd)

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by its subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
10 August 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	(Restated) 2016 S$
Revenue	4	1,209,592	4,630,161
Cost of sales		(757,255)	(3,320,482)
Gross profit		452,337	1,309,679
Other items of income:			
Interest income		-	4
Other income	5	1,154,314	543,628
Other items of expense:			
Loss from deconsolidation of subsidiary		-	(3,170,124)
Selling and distribution expenses		(5,903)	(160)
Administrative expenses		(770,016)	(1,410,562)
Other expenses		(948,282)	(2,184,478)
Finance cost	6	(609)	(1,008)
Loss before income tax	7	(118,159)	(4,913,021)
Income tax expense	8	(3,042)	(7,842)
Loss for the financial year		(121,201)	(4,920,863)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the financial year		(121,201)	(4,920,863)
(Loss)/Profit for the financial year attributable to:			
Owners of the Company		99,633	(4,949,947)
Non-controlling interest		(220,834)	29,084
		(121,201)	(4,920,863)
Total comprehensive (loss)/income for the financial year attributable to:			
Owners of the Company		99,633	(4,949,947)
Non-controlling interest		(220,834)	29,084
		(121,201)	(4,920,863)
Earnings/(Loss) per share			
Basic and diluted (cents per share)	9	0.01	(2.29)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	Group		Company	
		2017	2016	2017	2016
		S$	S$	S$	S$
Non-current assets					
Property, plant and equipment	10	-	174,458	-	-
Intangible asset	11	-	-	-	-
Investment in subsidiary	12	-	-	-	-
Total non-current assets		-	174,458	-	-
Current assets					
Inventories	13	-	6,787	-	-
Trade and other receivables	14	608,110	1,034,996	13,916	60,116
Prepayments		5,309	32,722	-	900
Cash and bank balances	15	33,866	100,188	-	-
Tax recoverable		16,182	-	-	-
Total current assets		663,467	1,174,693	13,916	61,016
Less:					
Current liabilities					
Trade and other payables	16	1,736,694	3,811,770	590,262	2,524,426
Finance lease liability	17	6,026	5,703	-	-
Current income tax payable		9,588	6,546	9,588	6,546
Total current liabilities		1,752,308	3,824,019	599,850	2,530,972
Net current liabilities		(1,088,841)	(2,649,326)	(585,934)	(2,469,956)
Non-current liability					
Finance lease liability	17	-	6,026	-	-
Total non-current liability		-	6,026	-	-
Net liabilities		(1,088,841)	(2,480,894)	(585,934)	(2,469,956)
Equity					
Share capital	18	10,657,950	9,144,696	10,657,950	9,144,696
Accumulated losses		(11,521,581)	(11,621,214)	(11,243,884)	(11,614,652)
Equity attributable to owners of the Company		(863,631)	(2,476,518)	(585,934)	(2,469,956)
Non-controlling interest		(225,210)	(4,376)	-	-
Total equity		(1,088,841)	(2,480,894)	(585,934)	(2,469,956)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital S$	Accumulated losses S$	Revaluation reserve S$	Attributable to owners of the Company S$	Non-controlling interest S$	Total equity S$
Group						
Balance at 1 January 2017	9,144,696	(11,621,214)	-	(2,476,518)	(4,376)	(2,480,894)
(Loss)/profit for the financial year	-	99,633	-	99,633	(220,834)	(121,201)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss)/income for the financial year	-	99,633	-	99,633	(220,834)	(121,201)
Issue of ordinary shares	1,513,254	-	-	1,513,254	-	1,513,254
Balance at 31 December 2017	10,657,950	(11,521,581)	-	(863,631)	(225,210)	(1,088,841)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd)

	Share capital S$	Accumulated losses S$	Revaluation reserve S$	Attributable to owners of the Company S$	Non-controlling interest S$	Total equity S$
Group						
Balance at 1 January 2016	9,144,696	(13,446,258)	6,774,991	2,473,429	(33,460)	2,439,969
(Loss)/profit for the financial year	-	(4,949,947)	-	(4,949,947)	29,084	(4,920,863)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss)/income for the financial year (Restated) (Note 27)	-	(4,949,947)	-	(4,949,947)	29,084	(4,920,863)
Reclassification from revaluation reserve upon deconsolidation of subsidiary (Restated) (Note 27)	-	6,774,991	(6,774,991)	-	-	-
Balance at 31 December 2016	9,144,696	(11,621,214)	-	(2,476,518)	(4,376)	(2,480,894)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 S$	2016 S$
Cash Flows from Operating Activities		
Loss before income tax	(118,159)	(4,913,021)
Adjustments for:		
Allowance for impairment of trade and other receivables	15,894	22,997
Write back of allowance for impairment of trade and other receivables	(600)	-
Trade receivables written off – third parties	-	11,003
Write off of other payables and accruals	(1,116,338)	-
Depreciation of property, plant and equipment	64,959	78,168
Loss on disposal of property, plant and equipment	20,584	21,242
Loss from deconsolidation of subsidiary	-	3,170,124
Impairment of property, plant and equipment	101,315	-
Provision for corporate guarantee	-	1,107,074
Write off of grant receivables	-	241,091
Interest expense	609	1,008
Interest income	-	(4)
Inventories written off	15,998	60,801
(Reversal of)/Provision for slow moving inventories	(373)	40,540
Unrealised exchange difference	(1,504)	790
Operating cash flows before working capital changes	(1,017,615)	(158,187)
Movement in working capital changes:		
Inventories	(8,838)	177,782
Trade and other receivables	411,592	(616,726)
Prepayments	27,413	29,149
Trade and other payables	(443,980)	573,447
Cash (used in)/generated from operations	(1,031,428)	5,465
Interest received	-	4
Income taxes paid	(16,182)	(1,296)
Net cash (used in)/generated from operating activities	(1,047,610)	4,173
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(20,900)	(40,352)
Deconsolidation of subsidiary, net of cash disposed	-	40,234
Proceeds from disposal of property, plant and equipment	8,500	-
Net cash used in investing activities	(12,400)	(118)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(cont'd)

	2017 S$	2016 S$
Cash Flows from Financing Activities		
Repayment of finance lease obligation	(5,703)	(5,832)
Proceeds from issue of ordinary shares	1,000,000	-
Interest paid	(609)	(1,008)
Net cash generated from/(used in) financing activities	993,688	(6,840)
Net decrease in cash and cash equivalents	(66,322)	(2,785)
Cash and cash equivalents at beginning of the financial year	100,188	102,973
Cash and cash equivalents at end of the financial year (Note 15)	33,866	100,188

The reconciliation of movements of the liability to cash flows arising from financing activities is presented below:

	1 January 2017	**Non-cash changes**	**Cash flows**	**31 December 2017**
		Interest expense	Repayments	
	S$	S$	S$	S$
Finance lease liability	11,729	609	(6,312)	6,026

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General Information

Jason Holdings Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 25 September 2012.

The registered office and principal place of business is located at 11 Tampines Street 92, #03-05 Tampines Bizhub, Singapore 528872.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary are disclosed in Note 12 to the financial statements.

The ultimate controlling shareholder of the Company is Mr Lim Chwee Kim.

2 Summary of Significant Accounting Policies

2.1 *Going Concern*

The Group incurred a net loss of S$121,201 (2016: S$4,920,863) for the current year ended 31 December 2017 and, as of that date, the Group and the Company have net current liabilities of S$1,088,841 (2016: S$2,649,326) and S$585,934 (2016: S$2,469,956) respectively. As at 31 December 2017, the Group and the Company have a capital deficit of S$1,088,841 (2016: S$2,480,894) and S$585,934 (2016: S$2,469,956) respectively. These conditions indicate the existence of material uncertainties which may cast significant doubt as to the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

The accompanying financial statements have been prepared on the assumption that the Group and the Company will continue as going concerns.

The ability of the Group and the Company to continue as going concerns are dependent on the injection of new business and assets into the Company and the undertaking of its ultimate controlling shareholder to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. In addition, a director of its subsidiary has undertaken to provide continuing financial support to the subsidiary.

In the event that the Group and Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise. No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.2 *Basis of preparation*

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("**FRSs**") and the provisions of the Singapore Companies Act, Chapter 50. These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("**SGD**" or "**S$**"), which is the functional currency of the Company.

2.3 *Application of New/Revised Financial Reporting Standards ("**FRSs**") Issued*

(a) FRSs effective for annual period beginning on or after 1 January 2017

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Amendments to FRS 7 Disclosure Initiative

The amendments require new disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities in respect of:

(a) Changes from financing cash flows;
(b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
(c) The effect of changes in foreign exchange rates;
(d) Changes in fair values; and
(e) Other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption.

As this is a disclosure requirement, the information is provided in the consolidated statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.3 *Application of New/Revised Financial Reporting Standards ("**FRSs**") Issued* (cont'd)

(b) FRSs and INT FRSs issued but not yet effective

At the date of authorisation of these financial statements, the relevant new FRS that have been issued but are not yet effective are as follows:

FRS 109 *Financial Instruments*

FRS 109 was introduced to replace FRS 39 *Financial Instruments: Recognition and Measurement.* FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. This standard also provides a simplified hedge accounting model that will align more closely with the entity's risk management strategies. FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives in the year of adoption.

The Group has completed its assessment of the impact on the financial statements and based on its assessment, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under this standard. Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under this new standard. On adoption of this standard, the Group does not expect a significant increase in the impairment loss allowance to be made using the new forward-looking expected credit loss model.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 *Revenue from Contracts with Customers* sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). FRS 115 replaces the previous revenue standards, FRS 18 *Revenue* and FRS 11 *Construction Contracts*, and the related interpretations on revenue recognition, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers*, and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.3 *Application of New/Revised Financial Reporting Standards ("**FRSs**") Issued* (cont'd)

(b) FRSs and INT FRSs issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers* (cont'd)

FRS 115 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group plans to adopt FRS 115 in the financial year beginning on 1 January 2018 using the full retrospective method in accordance with the transitional provisions and will include the required additional disclosures in its financial statements for that financial year. The Group completed its assessment of the impact on the Group's financial statements and based on its assessment, the Group does not expect significant changes to the timing and profile of revenue recognition for its sale of goods and services arrangements on adoption of FRS 115.

FRS 116 *Leases*

FRS 116 *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

FRS 116 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for companies but only if it also apply FRS 115 *Revenue from Contracts with Customers* at or before the date of initial application of FRS 116. The Group plans to adopt FRS 116 in the financial year beginning on 1 January 2019.

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. The Group has non-cancellable operating lease agreements in which the Group is a lessee. The Group expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.3 *Application of New/Revised Financial Reporting Standards ("**FRSs**") Issued* (cont'd)

(b) FRSs and INT FRSs issued but not yet effective (cont'd)

Convergence with International Financial Reporting Standards (IFRS)

Singapore-incorporated companies listed on the Singapore Exchange (SGX) are required to apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SFRS(I) in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed an assessment of the impact of SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)* for the transition to the new reporting framework. Based on the Group's assessment, the Group expects that the impact on adoption of SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this note.

Other than the adoption of FRS 116 which the Group needs further deliberation, the Group does not expect to change its existing accounting policies significantly on adoption of the new framework. The Group is currently conducting a detailed analysis of the available accounting policy choices, transitional optional exemptions and transitional mandatory exceptions under SFRS(I) 1 and the preliminary assessment may be subject to changes arising from the detailed analysis.

2.4 *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. For the previous year 2016, the Company has not consolidated Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") from 1 January 2016 to 10 June 2016 for reasons as stated in Note 23 to the financial statements.

Subsidiaries are consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.4 *Basis of consolidation* (cont'd)

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.4 *Basis of consolidation* (cont'd)

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.4 *Basis of consolidation* (cont'd)

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholders' financial statements. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and share capital of acquiree is recognised directly to equity.

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollar ("**S$**"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Leasehold land and building is measured at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising from the revaluation of such leasehold land and building is recognised in other comprehensive income and credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.6 *Property, plant and equipment* (cont'd)

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Leasehold land and building	Lease term of 30 years
Furniture and fittings	3 - 5
Motor vehicles	5 - 6
Office equipment	3 - 5
Computers	3 - 5
Tools and equipment	3 - 5
Renovation	3 - 5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

2.7 *Intangible assets*

Computer software license

Acquired computer software license is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.7 *Intangible assets* (cont'd)

Computer software license is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

2.8 *Impairment of non-financial assets excluding goodwill*

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.10 *Financial assets*

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group and the Company's Loans and receivables in the statements of financial position comprise trade and other receivables and cash and bank balances.

Recognition and derecognition

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

On derecognition of financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loan and receivables are carried at amortised cost using the effective interest method, less impairment loss, if any.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.10 *Financial assets* (cont'd)

Loans and receivables (cont'd)

Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

2.11 *Cash and bank balances*

Cash and cash equivalent in the statement of financial position comprise cash on hand and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the consolidated statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits, if any.

2.12 *Financial liabilities*

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The accounting policies adopted for other financial liabilities are set out below:

(i) Trade and other payables

Trade and other payables are initially measured at fair value, net off of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.12 *Financial liabilities* (cont'd)

(i) Trade and other payables (cont'd)

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(ii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings which are due to be settled within 12 months after the end of reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

(iii) Financial guarantees

Where the Company issues corporate guarantees to banks for borrowings of other parties ("**Borrowers**"), such guarantees are financial guarantees as they require the Company to reimburse the banks if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

a. the amount of the obligation under the contract, as determined in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and

b. the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18 *Revenue*.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.12 *Financial liabilities* (cont'd)

(iii) Financial guarantees (cont'd)

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary's borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's statement of financial position.

Intra-group transactions with regards to the financial guarantees are eliminated on consolidation.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, an entity shall measure them at the fair value of the equity instruments issued, unless that fair value cannot be reliably measured.

If the fair value of the equity instruments issued cannot be reliably measured then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.13 *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2.14 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

Sale of goods

Revenue from sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and it is probable that the agreed consideration will be received. Normally these criteria are considered to be met when the goods are delivered to and accepted by the buyer.

Dry lay and other services

Revenue from dry lay and other services which are short term in nature refer to services provided for laying out of tiles on a dry surface based on customers' requirement and other miscellaneous services. Dry lay and other services are recognised upon services rendered and approved by customers.

Rental Income

Rental income under operating lease is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.15 *Grants*

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.16 *Employee benefits*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

2.17 *Leases*

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised as property, plant and equipment of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Operating leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.18 *Borrowing costs*

Borrowing costs directly attributable to the acquisition and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.19 *Taxes*

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.19 *Taxes* (cont'd)

Deferred tax (cont'd)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.20 *Dividends*

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.21 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.22 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Summary of Significant Accounting Policies (cont'd)

2.23 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 ***Critical judgements in applying the accounting policies***

In the application of the Group's accounting policies, the management is in the opinion, that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Impairment of investment in subsidiary

The Group and the Company follow the guidance of FRS 36 in determining whether investment in subsidiary are impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the recoverable amount of the investment is less than its carrying amount and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amount of the investment in subsidiary as at 31 December 2017 was Nil (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 30 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 31 December 2017 was Nil (2016: S$174,458)

(ii) Allowance for impairment of receivables

The management establishes allowance for impairment of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of the customers were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 December 2017 were S$608,110 (2016: S$1,034,996) and S$13,916 (2016: S$60,116) respectively.

(iii) Fair value of Scheme Shares

As disclosed in Note 24 to the financial statements, the Scheme Shares under the Scheme of Arrangement were approved by the Participating Creditors and sanctioned by the High Court. The fair value of each Scheme Share of S$0.001 is determined using inputs derived from observable market data where possible, but where this is not feasible, a degree of judgement and estimation is required to establish the fair value of the Scheme Shares. In estimating the fair value of the Scheme Shares, the management considers the last trading share price of the Company, the financial position and performance of the Company over the past and current years, as well as the minimum bid price stipulated by Singapore Exchange Securities Trading Limited ("**SGX-ST**").

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4 Revenue

	Group	
	2017	2016
	S$	S$
Sales of goods	893,789	3,299,138
Dry lay and other services	315,803	1,331,023
	1,209,592	4,630,161

5 Other Income

	Group	
	2017	2016
	S$	S$
Write off of other payables and accruals pursuant to the Scheme of Arrangement (Note 24)	1,116,338	-
Rental income	29,743	19,178
Government grants	2,938	62,773
Recovery of amount from JPS previously impaired	-	437,005
Miscellaneous	5,295	24,672
	1,154,314	543,628

6 Finance Cost

	Group	
	2017	2016
	S$	S$
Interest on finance lease liability	609	1,008

7 Loss before Income Tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges/(credit):

	Group	
	2017	2016
	S$	S$
Cost of sales		
Cost of inventories recognised as expenses	560,642	2,743,993
Inventories written off	15,998	60,801
(Reversal of)/Provision for slow moving inventories	(373)	40,540
Employee benefit expenses	83,234	220,408

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7 Loss before Income Tax (cont'd)

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges/(credit): (cont'd)

	Group	
	2017	2016
	S$	S$
Selling and Distribution expenses		
Advertising and promotions	3,355	160
Commission	2,548	-
Administrative expenses		
Operating lease expense	293,213	359,268
Employee benefit expenses	471,072	824,768
Other expenses		
Allowance for impairment of trade and other receivables, net	15,894	22,997
Audit fees		
- Auditors of the Company	42,000	57,000
Non-audit fees		
- Auditors of the Company	-	17,334
Depreciation of property, plant and equipment	64,959	78,168
Foreign exchange loss		
- realised	-	5,115
- unrealised	-	790
Write off of grant receivables	-	241,091
Provision for corporate guarantee	-	1,107,074
Late payment charge and penalty	1,723	2,171
Loss on disposal of property, plant and equipment	20,584	21,242
Legal and professional fees	581,441	561,670
Trade receivables written off – third parties	-	11,003
Impairment of property, plant and equipment	101,315	-

Loss before income tax also includes:

	Group	
	2017	2016
	S$	S$
Employee benefits expenses*		
- salaries, bonus, fees and other benefits	520,837	952,235
- contributions to defined contribution plans	33,469	92,941
	554,306	1,045,176

* These include the amounts shown as Director's remuneration in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8 Income Tax Expense

	Group	
	2017	2016
	S$	S$
Current income tax:		
- current financial year	-	6,546
- under provision in respect of prior years	3,042	1,296
	3,042	7,842

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2016: 17%) to loss before income tax as a result of the following differences:

	Group	
	2017	2016
	S$	S$
Loss before income tax	(118,159)	(4,913,021)
Income tax at statutory income tax rate of 17%	(20,087)	(835,214)
Expenses not deductible for income tax purposes	134,229	930,042
Income not subject to tax	(190,276)	(84,962)
Under provision of income tax in respect of prior years	3,042	1,296
Deferred tax asset not recognised	76,644	(9,866)
Others	(510)	6,546
Income tax expense recognised in profit or loss	3,042	7,842

Subject to the agreement by relevant tax authorities, at the end of the financial year, the Group has approximately unutilised tax losses of S$437,000 (2016: S$125,000), unutilised capital allowances of S$253,000 (2016: S$117,000) and unutilised donations of S$16,000 (2016: S$13,000), available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of profit streams. Unutilised tax losses and unutilised capital allowances may be carried forward indefinitely subject to the conditions imposed by law.

Expenses not deductible for tax purposes comprise legal and professional fees, general allowance for doubtful trade receivables and rental expenses incurred for a private vehicle.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

9 Earnings/(Loss) per Share

The calculations for earnings/(loss) per share are based on:

	Group	
	2017	2016
	S$	S$
Profit/(Loss)		
Profit/(Loss) attributable to owners of the Company	99,633	(4,949,947)
Number of shares		
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings/(loss) per share	1,578,192,046	216,000,000
Basic and diluted earnings/(loss) per share (in cents)	0.01	(2.29)

The calculations for basic earnings/(loss) per share for the relevant periods are based on the profit/(loss) attributable to owners for the financial years ended 31 December 2017 and 2016 divided by the weighted average number of ordinary shares in issue in the relevant periods.

The dilutive earnings/(loss) per share for the relevant periods are the same as the basic earnings/(loss) per share as the Group does not have any dilutive potential ordinary shares for the relevant periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 Property, Plant and Equipment

	At fair value	At cost					
	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Group								
Cost								
Balance at 1 January 2017	-	82,078	151,500	29,437	46,587	-	66,773	376,375
Additions	-	-	-	-	-	-	20,900	20,900
Disposal	-	(12,500)	(30,500)	-	-	-	(17,425)	(60,425)
Balance at 31 December 2017	-	69,578	121,000	29,437	46,587	-	70,248	336,850
Accumulated depreciation and impairment								
Balance at 1 January 2017	-	35,405	83,750	18,388	36,158	-	28,216	201,917
Depreciation charge for the year	-	13,875	23,475	5,365	8,543	-	13,701	64,959
Disposal	-	(1,458)	(23,892)	-	-	-	(5,991)	(31,341)
Impairment loss	-	21,756	37,667	5,684	1,886	-	34,322	101,315
Balance at 31 December 2017	-	69,578	121,000	29,437	46,587	-	70,248	336,850
Net carrying amount								
Balance at 31 December 2017	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 Property, Plant and Equipment (cont'd)

	At fair value	At cost					
	Leasehold land and building	Furniture and fittings	Motor vehicles	Office equipment	Computers	Tools and equipment	Renovation	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Group								
Cost								
Balance at 1 January 2016	8,600,000	239,177	988,956	133,969	206,473	851,917	119,451	11,139,943
Deconsolidation of subsidiary	(8,600,000)	(170,349)	(837,456)	(105,016)	(161,856)	(851,917)	(9,669)	(10,736,263)
Additions	-	13,250	-	484	1,970	-	24,648	40,352
Disposal	-	-	-	-	-	-	(67,657)	(67,657)
Balance at 31 December 2016	-	82,078	151,500	29,437	46,587	-	66,773	376,375
Accumulated depreciation								
Balance at 1 January 2016	-	120,609	781,482	96,935	179,054	846,628	65,105	2,089,813
Deconsolidation of subsidiary	-	(100,465)	(728,032)	(84,346)	(152,049)	(846,628)	(8,129)	(1,919,649)
Depreciation charge for the year	-	15,261	30,300	5,799	9,153	-	17,655	78,168
Disposal	-	-	-	-	-	-	(46,415)	(46,415)
Balance at 31 December 2016	-	35,405	83,750	18,388	36,158	-	28,216	201,917
Net carrying amount								
Balance at 31 December 2016	-	46,673	67,750	11,049	10,429	-	38,557	174,458

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 Property, Plant and Equipment (cont'd)

During the current financial year, management performed an impairment assessment for the plant and equipment in White Cubic Pte Ltd, due to the losses incurred by this subsidiary. Consequently, an impairment loss of S$101,315 (2016: Nil) is recognised for the current year ended 31 December 2017 to fully write down these plant and equipment.

As at 31 December 2017, the Group has motor vehicles under finance lease obligation with net carrying amounts of Nil (2016: S$67,750). Finance leased assets are pledged as security for the related finance lease liability (Note 17).

11 Intangible asset

	Computer software	
	2017	2016
	S$	S$
Group		
Cost		
Balance at beginning of financial year	-	339,141
Deconsolidation of subsidiary	-	(339,141)
Balance at end of financial year	-	-
Accumulated amortisation		
Balance at beginning of financial year	-	336,380
Deconsolidation of subsidiary	-	(336,380)
Balance at end of financial year	-	-
Net carrying amount		
Balance at end of financial year	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12 Investment in Subsidiary

	Company	
	2017	2016
	S$	S$
Unquoted equity shares, at cost, less impairment loss	-	-

During the previous financial year, Jason Parquet Specialist (Singapore) Pte Ltd was wound up by a court order. Accordingly, the Company wrote off an impairment loss made in previous financial years amounting to S$5,362,914 during the current year ended 31 December 2017.

The particulars of the subsidiary are as follows:

Name of subsidiary (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest	
		2017	2016	2017	2016
		%	%	%	%
White Cubic Pte Ltd [(1)] (Singapore)	Business of wholesale of structural clay, concrete products, ceramic, mosaic, tiles and cement works	60	60	40	40

[(1)] Audited by Moore Stephens LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12 Investment in Subsidiary (cont'd)

Non-controlling interest

Summarised financial information in relation to the subsidiary, White Cubic Pte Ltd, that has a non-controlling interest ("**NCI**") that is material to the Group, before intra-group eliminations and together with amounts attributed to the NCI, is presented below:

Summarised statement of comprehensive income for the financial year ended 31 December:

	2017 S$	2016 S$
Revenue	1,209,592	4,630,161
(Loss)/Profit before income tax	(552,085)	72,711
(Loss)/Profit after income tax for the year, representing total comprehensive (loss)/income	(552,085)	72,711
(Loss)/Profit after income tax for the year, representing total comprehensive (loss)/income attributable to NCI	(220,834)	29,084

Summarised statement of financial position as at 31 December:

	2017 S$	2016 S$
Assets:		
Non-current assets	-	174,458
Current assets	649,551	1,173,793
Total assets	649,551	1,348,251
Liabilities:		
Non-current liabilities	-	6,026
Current liabilities	1,212,574	1,353,163
Total liabilities	1,212,574	1,359,189
Net liabilities	(563,023)	(10,938)
Attributable to:		
Equity holders of the Company	(337,813)	(6,562)
Accumulated non-controlling interest	(225,210)	(4,376)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12 Investment in Subsidiary (cont'd)

Non-controlling interest (cont'd)

Summarised statement of cash flows for the financial year ended 31 December:

	2017 S$	2016 S$
Cash (outflows)/inflows from operating activities	(47,610)	8,791
Cash outflows from investing activities	(12,400)	(40,352)
Cash outflows from financing activities	(6,312)	(6,840)
Net cash outflows	(66,322)	(38,401)

13 Inventories

	Group	
	2017 S$	2016 S$
Marble materials	-	6,787

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of write down of inventories of S$15,998 (2016: S$60,801) and reversal of provision for slow moving inventories of S$373 (2016: provision for slow moving inventories of S$40,540) as expenses which was included in the "Cost of sales" line item in the Group's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 Trade and Other Receivables

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Trade receivables (third parties):				
- Receivables	153,397	414,718	-	-
- Accrued income	49,133	183,897	-	-
- Retention sum	181,745	246,523	-	-
Less: Allowance for impairment of trade receivables	(90,018)	(74,724)	-	-
	294,257	770,414	-	-
Other receivables - third parties	18,390	599	13,916	-
Deposits	295,463	263,983	-	-
Amount due from subsidiary	-	-	60,116	60,116
Allowance for impairment of amount due from subsidiary	-	-	(60,116)	-
Total trade and other receivables	608,110	1,034,996	13,916	60,116
Add: Cash and bank balances (Note 15)	33,866	100,188	-	-
Total loans and receivables	641,976	1,135,184	13,916	60,116

Trade receivables are unsecured, non-interest bearing and generally on 30 (2016: 30) days' credit terms.

Deposits are mainly performance bonds pledged to customers for projects, rental deposits and payments to suppliers as security for the purchase of goods.

Amount due from subsidiary is non-trade in nature, unsecured, interest free, repayable on demand and is to be settled in cash.

Movements in allowance for impairment of third parties trade receivables were as follows:

	Group	
	2017	2016
	S$	S$
Balance at beginning of financial year	74,724	1,336,564
Deconsolidation of subsidiary	-	(1,284,837)
Allowance made during the financial year	15,894	22,997
Write back of allowance made	(600)	-
Balance at end of financial year	90,018	74,724

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14 Trade and Other Receivables (cont'd)

Trade receivables which are individually determined to be impaired relates to trade receivables that are in significant financial difficulties and have defaulted on payments. As at the reporting date, allowance for impairment mainly relates to trade receivables individually impaired amounting to S$90,018 (2016: S$74,724).

The Group's and the Company's trade and other receivables are denominated in Singapore dollar.

15 Cash and Bank Balances

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Cash at bank	33,578	99,439	-	-
Cash on hand	288	749	-	-
Cash and cash equivalents as per consolidated statement of cash flows	33,866	100,188	-	-

Cash and bank balances are denominated in the followings currencies:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Singapore dollar	30,548	96,871	-	-
United States dollar	1,614	1,614	-	-
Malaysian ringgit	62	61	-	-
Euro	1,642	1,642	-	-
	33,866	100,188	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

16 Trade and Other Payables

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Trade payables - third parties	933,330	1,067,088	2,908	2,908
Deposits from customers	-	3,589	-	-
Accrued operating expenses	508,738	389,651	456,758	336,876
Other payables - third parties	294,626	1,244,368	130,596	1,077,568
Provision for corporate guarantee	-	1,107,074	-	1,107,074
Total trade and other payables	1,736,694	3,811,770	590,262	2,524,426
Add: Finance lease liability (Note 17)	6,026	11,729	-	-
Total financial liabilities carried at amortised cost	1,742,720	3,823,499	590,262	2,524,426

Trade payables are unsecured, non-interest bearing and are generally on 30 (2016: 30) days' credit terms.

Provision for corporate guarantee is an amount of S$1,107,074 given to banks for facilities granted to Jason Parquet Specialist (Singapore) Pte Ltd which were being called and payable to these banks in accordance to the Scheme of Arrangement (Note 24). Provision for corporate guarantee have been fully settled during the current financial year.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Singapore dollar	1,688,871	3,749,765	590,262	2,524,426
United States dollar	41,920	56,225	-	-
Malaysian ringgit	5,903	5,780	-	-
	1,736,694	3,811,770	590,262	2,524,426

17 Finance Lease Liability

	Group	
	2017	2016
	S$	S$
Secured		
Current liability	6,026	5,703
Non-current liability	-	6,026
	6,026	11,729

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

17 Finance Lease Liability (cont'd)

The average effective interest rate per annum during the financial year is 6.76% (2016: 6.62% to 7.58%).

As at reporting date, the Group had obligations under finance leases that are payable as follows:

	Minimum lease payments S$	Future finance charges S$	Present value of minimum lease payments S$
Group			
2017			
Current liability			
Within one financial year	6,266	(240)	6,026
2016			
Current liability			
Within one financial year	6,312	(609)	5,703
Non-current liability			
After one financial year but within five financial years	6,266	(240)	6,026
	12,578	(849)	11,729

The Group's obligations under finance leases are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

Finance lease liability is denominated in Singapore dollar.

The fair value of the non-current interest-bearing finance lease liability as at 31 December 2016 approximates its fair value.

18 Share Capital

	2017	2016	2017	2016
Group and Company	Number of ordinary shares		S$	S$
Issued and fully-paid up:				
At the beginning of the financial year	216,000,000	216,000,000	9,144,696	9,144,696
Issue of shares	2,513,253,595	-	1,513,254	-
At the end of the financial year	2,729,253,595	216,000,000	10,657,950	9,144,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

18 Share Capital (cont'd)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

Issue of ordinary shares

During the current year ended 31 December 2017, the Company issued 2,000,000,000 new ordinary shares for a cash consideration of S$1,000,000 and 513,253,595 new ordinary shares by way of capitalising amounts of S$505,742 and S$7,512 owing to third parties and related parties respectively, under the Scheme of Arrangement (Note 24). The newly issued shares rank pari passu in all respects with the previously issued shares.

19 Significant Related Party Transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions apply:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  (iii) Both entities are joint venture of the same third party.
  (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  (vi) The entity is controlled or jointly controlled by a person identified in (a);
  (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

19 Significant Related Party Transactions (cont'd)

In addition to those information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Group and the Company and its related parties during the financial year at rates and terms agreed between the parties.

Compensation of key management personnel

The remuneration of the key management personnel of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Short-term benefits *	199,000	513,960	95,000	409,960
Post-employment benefits	13,600	44,354	-	30,754
	212,600	558,314	95,000	440,714

The above included the following remuneration of the Directors of the Company and a director of the subsidiary:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Directors of the Company				
Short-term benefits *	95,000	253,386	95,000	253,386
Post-employment benefits	-	9,780	-	9,780
	95,000	263,166	95,000	263,166
Director of the subsidiary				
Short-term benefits	104,000	104,000	-	-
Post-employment benefits	13,600	13,600	-	-
	117,600	117,600	-	-
	212,600	380,766	95,000	263,166

* Included in short-term benefits is directors' fees of S$95,000 (2016: S$95,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

20 Operating Lease Commitments

The Group as the lessee

As at reporting date, there were operating lease commitments for rental payable in subsequent accounting periods as follows:

	2017 S$	2016 S$
Not later than one financial year	69,403	89,425
After one financial year but within five financial years	14,821	84,294
	84,224	173,719

Operating lease payments represent rents payable by the Group for office premises and other operating facilities under non-cancellable operating lease agreements. Leases and rental are fixed for an average term of 1 to 3 (2016: 1 to 3) years with no provisions for contingent rent or upward revision of rent based on market price indices.

21 Segment Information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. For management purposes, the Group is organised into business units based on its services, and has two reportable segments as follows:

(a) The projects segment business is providing structural clay, concrete products, ceramic, mosaic, tiles, cement works to private and public residential and commercial property developments.

(b) The distribution segment business is the trading of concrete products, ceramic, mosaic and tiles.

Management monitors the operating results of the segment separately for the purpose of making decisions about the resources allocated and of assessing performance. Segment performance is evaluated based on gross profits. Group financing (including finance cost), operating expenses and income taxes are managed on group basis and are not allocated to operating segments.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter segment sales and transfer as if the sales or transfers were to third parties, which approximates market prices. These inter segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21 Segment Information (cont'd)

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise operating expenses. The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a group basis.

	Projects	Distribution	Unallocated	Total
	S$	S$	S$	S$
Group				
2017				
Revenue				
- External sales	317,254	892,338	-	1,209,592
Results				
Segment results	209,326	243,011	(1,468,448)	(1,016,111)
Interest expense				(609)
Depreciation of property, plant and equipment				(64,959)
Other material non-cash items:				
- Write off of other payables and accruals				1,116,338
- Allowance for impairment of trade receivables - third parties				(15,894)
- Write back of allowance for impairment of trade receivables - third parties				600
- Inventories written off				(15,998)
- Impairment of property, plant and equipment				(101,315)
- Reversal of provision for slow moving inventories				373
- Loss on disposal of property, plant and equipment				(20,584)
Loss before income tax				(118,159)
Income tax expense				(3,042)
Loss for the financial year				(121,201)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

21 Segment Information (cont'd)

	Projects	Distribution	Unallocated	Total
	S$	S$	S$	S$
Group				
2016				
Revenue				
- External sales	1,339,263	3,290,898	-	4,630,161
Results				
Segment results	661,433	648,246	(1,468,652)	(158,973)
Interest expense				(1,008)
Depreciation of property, plant and equipment				(78,168)
Other material non-cash items:				
- Loss from deconsolidation of subsidiary				(3,170,124)
- Provision for corporate guarantee				(1,107,074)
- Write off of grant receivables				(241,091)
- Allowance for impairment of trade receivables - third parties				(22,997)
- Inventories written off				(60,801)
- Provision for slow moving inventories				(40,540)
- Trade receivables written off - third parties				(11,003)
- Loss on disposal of property, plant and equipment				(21,242)
Loss before income tax				(4,913,021)
Income tax expense				(7,842)
Loss for the financial year				(4,920,863)

Major customer

Revenue from one major customer amounted to S$585,902 and S$2,122,988 for the financial years ended 31 December 2017 and 2016, respectively arising from the projects segment.

Geographic information

All the Group's revenues from external customers and all non-current assets are attributed to Singapore and located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management

The Group's and the Company's activities expose them to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk) arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group and the Company. The Group's and the Company's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

22.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only bidding for contracts from developers with good financial standings. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and does not require collaterals.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 3 (2016: 2) trade receivables from third parties amounting to S$39,116 (2016: S$207,048) which accounts for 25% (2016: 50%) of the total trade receivables as at the end of the financial year.

The Company has no significant concentration of credit risk as at 31 December 2017 (2016: amount due from subsidiary).

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risk. The Group and the Company do not hold any collateral.

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and cash equivalents.

Bank deposits are mainly deposits with reputable banks with high credit rating and no history of default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management (cont'd)

22.1 Credit risk (cont'd)

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. The Group's historical experience in the collection of receivables falls within the credit terms granted.

The Company does not have any trade receivables as at the end of the reporting period.

The age analysis of the Group's trade receivables (excluding accrued income and retention sum) as at the end of the reporting period that are past due but not impaired and past due but impaired are as follows:

	2017		2016	
Group	Gross receivables S$	Impairment S$	Gross receivables S$	Impairment S$
Current 1 to 30 days	32,130	-	198,865	-
Past due 31 to 60 days	3,978	-	41,151	-
Past due 61 to 90 days	331	-	12,109	-
Past due over 90 days	116,958	90,018	162,593	74,724

22.2 Foreign currency risk

Foreign currency risks arise from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar, Malaysian Ringgit and Euro.

The Group and the Company do not hedge foreign currency exposure using derivative financial instruments. The Group and the Company manage foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group and the Company monitor foreign exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

It is not the Group's and the Company's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward contracts with its principal bankers to mitigate the foreign currency risks. As at 31 December 2017 and 2016, there are no outstanding forward foreign currency contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management (cont'd)

22.2 Foreign currency risk (cont'd)

The Company does not have any monetary assets and monetary liabilities denominated in foreign currency. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	2017 S$	2016 S$
Group		
Monetary assets		
Euro	1,642	1,642
United States dollar	1,614	1,614
Malaysian ringgit	62	61
Monetary liabilities		
United States dollar	41,920	56,225
Malaysian ringgit	5,903	5,780

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk are mainly in United States dollar, Euro and Malaysian ringgit.

The following table details the Group's sensitivity to a 6% (2016: 4%) change in United States dollars against Singapore dollar. The sensitivity analysis assumes an instantaneous 6% (2016: 4%) change in the foreign currency exchange rates from the end of the reporting date, with all other variables held constant. The results of the model are also constrained by the fact that only monetary item, which is denominated in United States dollar is included in the analysis.

The effect of this change would result in an increase/(decrease) in the Group's loss before income tax by:

	Group	
	2017 S$	2016 S$
United States dollar		
Strengthen against Singapore dollar	2,418	2,184
Weaken against Singapore dollar	(2,418)	(2,184)

Sensitivity analysis is not shown for Euro and Malaysian ringgit as the amounts are insignificant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management (cont'd)

22.3 Interest rate risk

The Group's exposure to interest rate risk relates primarily to interest-bearing finance lease liability. The Company has no exposure to market risk for changes in interest risk.

The Group's results are not affected by changes in interest rates as the interest rate for the finance lease liability is fixed at the contract date.

22.4 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

Contractual maturity analysis

	Within one financial year	Total
Group	S$	S$
2017		
Financial liabilities:		
Non-interest bearing		
- Trade and other payables	1,736,694	1,736,694
Interest-bearing liability		
Finance lease liability	6,266	6,266
	1,742,960	1,742,960

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management (cont'd)

22.4 Liquidity risk (cont'd)

Contractual maturity analysis (cont'd)

	Within one financial year	After one financial year but within five financial years	Total
Group	S$	S$	S$
2016			
Financial liabilities:			
Non-interest bearing			
- Trade and other payables	3,811,770	-	3,811,770
Interest-bearing liability			
Finance lease liability	6,312	6,266	12,578
	3,818,082	6,266	3,824,348

	Within one financial year	Total
Company	S$	S$
2017		
Financial liabilities		
Non-interest bearing		
- Trade and other payables	590,262	590,262
2016		
Financial liabilities		
Non-interest bearing		
- Trade and other payables	2,524,426	2,524,426

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

22 Financial Instruments, Financial Risks and Capital Management (cont'd)

22.4 Liquidity risk (cont'd)

The Group's and the Company's operations are financed mainly through equity and interest-bearing liability.

22.5 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and may raise capital from the equity market or obtain financial support from its ultimate controlling shareholder and a director of its subsidiary if deemed necessary.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayments and interests) based on operating cash flows.

The management monitors capital based on gearing ratio, which is net debt divided by total equity plus net debt. The Group and the Company includes within net debt, trade and other payables, interest-bearing liability, less cash and cash equivalents. Total equity consists of share capital and accumulated losses.

22.6 Fair value of financial assets and financial liabilities

Fair value of financial instruments that are not carried at fair value

Management considers that the carrying amounts of financial assets and liabilities other than finance lease liability recorded at amortised cost in the financial statements approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting period.

The fair value of finance lease liability is estimated by discounting expected future cash flows at a rate for similar type of leasing arrangement as at reporting date.

There is no significant change in rate for similar types of leasing arrangements as at reporting date and therefore the fair value of finance lease liability approximates the carrying amount.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

23 Non-consolidation of Subsidiary

In the previous financial year, the directors decided not to consolidate Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") effective from 1 January 2016 even though the liquidation order was effective on 10 June 2016 due to limitation in accessing the financial information of JPS as all the financial documents were handed over to the liquidators of JPS and some financial documents were impounded by the Commercial Affairs Department of the Singapore Police Force ("**CAD**").

The effects on the consolidated financial statements as at 1 January 2016 arising from the non-consolidation of JPS were:

	Carrying amount S$
Assets	
Property, plant and equipment	8,816,614
Intangible asset	2,761
Trade and other receivables	11,120,643
Inventories	8,090,064
Cash and cash equivalents	262,130
	28,292,212
Liabilities	
Trade and other payables	(8,903,032)
Amount due to a Director of the Company	(309,292)
Amount due to a corporate shareholder	(1,312,967)
Borrowings	(14,204,089)
Bank overdraft	(302,364)
Deferred tax liability	(14,968)
Income tax payable	(75,376)
	(25,122,088)
Net identifiable assets	3,170,124

The effects of deconsolidation of subsidiary on cash flows are as follows:

	Carrying amount S$
Net identifiable assets on deconsolidation (as above)	3,170,124
Loss from deconsolidation of subsidiary	3,170,124
Cash proceeds from deconsolidation of subsidiary	
Cash and cash equivalents	262,130
Bank overdraft	(302,364)
Net cash inflow on deconsolidation	(40,234)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24 Scheme of Arrangement

On 1 December 2016, the Company filed the Scheme of Arrangement ("**SOA**" or "**Scheme**") Application to seek to effect a restructuring of its debts and liabilities, under Section 210 of the Companies Act. The SOA Application was granted by the High Court ("**Court**") on 7 December 2016.

On 20 December 2016, the Company entered into a binding conditional placement term sheet with Mr Lim Chwee Kim, a director and controlling shareholder of the Company ("**Subscriber**"). Pursuant to the placement term sheet, the Company would allot and issue an aggregate of 2,000,000,000 new ordinary shares ("**Placement Shares**") in the capital of the Company, for an aggregate subscription amount of S$1,000,000, such placement shares representing approximately 73.28% of the enlarged issued and paid-up shares in the share capital of the Company (after taking into account up to 513,253,613 new Shares ("**Scheme Shares**") to be issued under the Scheme) ("**Placement**"), at the price of S$0.0005 for each Placement Share ("**Placement Price**").

On 1 February 2017, the SOA was unanimously approved at the Court meeting convened on 1 February 2017.

On 20 February 2017, the Company filed an application for Court sanction of the Scheme pursuant to Section 210(3AB)(c) (read with Section 210(4)) of the Act) ("**Sanction Application**"). The hearing for the Sanction Application was fixed to proceed on 15 March 2017.

On 24 February 2017, the Company entered into a Placement Agreement with the Subscriber pursuant to which the Subscriber would subscribe for, and the Company would allot and issue 2,000,000,000 Placement Shares at the Placement Price.

Under the Scheme, the Company would allot and issue the 513,253,613 Scheme Shares on a *pari passu* basis to the participating creditors ("**Scheme Creditors**"), at the price of S$0.001 for each Scheme Share (the "**Scheme Issue Price**"). Pursuant to Rules 804, 805(1), 811, 812(2) and 906 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the Proposed Placement and Proposed Scheme Share Issue were subject to approval of the Shareholders at an extraordinary general meeting to be convened.

On 15 March 2017, the Sanction Application was heard before the Court. The Court granted an order to sanction the Scheme ("**Sanction Order**") in the following terms:

(a) that the Scheme dated 12 January 2017 which was duly approved at the Court Meeting held on 1 February 2017 is approved in accordance with Section 210(3AB)(c) (read with Section 210(4)) of the Act so as to be binding on the Company and the Existing Creditors;
(b) that pursuant to Section 210(7) of the Act, the Company is exempted from annexing a copy of the order to be made herein to every copy of its memorandum issued after the order has been made as required under Section 210(6) of the Act;
(c) that the Company is at liberty to apply for such further or other directions as may be necessary; and
(d) costs of and incidental to this application be paid out of the assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

24 Scheme of Arrangement (cont'd)

On 22 March 2017, a copy of the Sanction Order was lodged by the Company with the Accounting and Corporate Regulatory Authority of Singapore. Pursuant to Section 210(5) of the Act, the Sanction Order took effect on and from 22 March 2017.

On 3 May 2017, the Company received the Listing and Quotation Notice from the SGX-ST for the listing of, and quotation for the 2,000,000,000 Placement Shares and 513,253,613 Scheme Shares in the capital of the Company, subject to compliance with the SGX-ST's listing requirements and approval from Shareholders being obtained at a general meeting to be convened. In addition, the SGX-ST required the Placement Shares to be placed out within (7) seven market days from the date of the extraordinary general meeting ("**EGM**") of the Company to be convened for the purpose of seeking the Company's shareholders' approval for the allotment and issue of the Placement Shares and the Scheme Shares.

On 31 May 2017, all the resolutions as set out in the notice of EGM dated 16 May 2017, and put to the meeting, were duly approved and passed by the Company's shareholders present and voting either in person or by proxy by way of a poll at the EGM held on 31 May 2017.

On 9 June 2017, the Placement was completed and the Placement Shares were allotted and issued to the Subscriber, in accordance with the terms of the Placement Agreement. The Placement Shares were listed and quoted on the Catalist board of the SGX-ST on 14 June 2017. Following completion of the Placement, the issued share capital of the Company was increased from 216,000,000 Shares to 2,216,000,000 Shares on 9 June 2017.

On 19 July 2017, following the finalisation of the adjudication of the proof of debts by the Scheme manager, a total of 513,253,595 Scheme Shares were allotted with 18 Scheme Shares disregarded as fractions of a Scheme Share. The Scheme Shares were listed and quoted on the Catalist board of the SGX-ST on 21 July 2017. Following the issue of the Scheme Shares, the issued share capital of the Company was increased from 2,216,000,000 Shares to 2,729,253,595 Shares on 19 July 2017. Further, pursuant to the terms of the Scheme, the Company issued payment of the Scheme consideration to the Scheme Creditors for an aggregate amount of S$750,000 to compromise in full all actual and contingent claims against the Company.

On and around 29 September 2017, approximately S$236,000 of the proceeds from the Placement was utilised to pay for the professional fees in relation to the Placement and the Scheme and fund the Company's working capital to facilitate the restructuring, and the balance of approximately S$14,000 will be used to fund the Company's future working capital.

On 17 October 2017, payment to all the Scheme Creditors was made in accordance with the Scheme and was accordingly a good discharge to the Company. The payment of the Scheme consideration and issuance of Scheme Shares to the Scheme Creditors constituted a full and final settlement of all liabilities owed by the Company to the existing creditors. Accordingly, the Scheme is completed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25 Disclaimer in Audit Report for financial year ended 31 December 2016

The audit report dated 16 April 2018 on the financial statements for the previous year ended 31 December 2016 contained a disclaimer opinion on matters as discussed below, which were resolved during the current year ended 31 December 2017.

Item 1 Scheme of Arrangement ("**SOA or Scheme**") and liabilities of the Company and subsequent events

The previous year's auditor was unable to obtain sufficient appropriate audit evidence on the completeness and accuracy of liabilities recorded by the Company as at 31 December 2016.

The previous year's auditor was also unable to obtain sufficient appropriate audit evidence that all subsequent events that have occurred up to the date of their report that may require adjustment to, or disclosure in the financial statements have been identified.

There were no significant subsequent events that have occurred up to the date of the previous year's financial statements except for the proceedings of the SOA.

As disclosed in Note 24 to the financial statements, the Scheme manager has effected the payment of the Scheme consideration and issuance of the Scheme Shares to the Scheme Creditors under the Scheme to fully settle all liabilities owed by the Company to the Scheme Creditors.

Accordingly, this matter is considered resolved during the current year ended 31 December 2017.

Item 2 Impairment of plant and equipment of a subsidiary, White Cubic Pte Ltd ("**WC**")

The previous year's auditor noted that there were indicators of impairment of WC's plant and equipment and management had not performed an impairment assessment of these plant and equipment as at 31 December 2016. Accordingly, they were unable to determine whether any impairment losses may have to be recognised and adjustments to the carrying value of plant and equipment may be required.

As disclosed in Note 7 and Note 10 to the financial statements, during the current year ended 31 December 2017, the Group has fully impaired plant and equipment amounting to S$101,315 (2016: Nil) which were not recoverable. As at 31 December 2017, the carrying value of the property, plant and equipment was Nil (2016: S$174,458).

As the Group has fully impaired these plant and equipment, this matter is considered resolved during the current year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

25 Disclaimer in Audit Report for financial year ended 31 December 2016 (cont'd)

Item 3 CAD Investigation against a director of the Company and JPS

During the previous year ended 31 December 2016, the Company announced that the Commercial Affairs Department of the Singapore Police Force ("**CAD**") is conducting its investigations against a director of the Company and JPS, namely Jason Sim Chon Ang ("**Jason Sim**"), on a possible offence under the Penal Code (Chapter 224), pursuant to the provisions of the Criminal Procedure Code (Chapter 68, 2012 Revised Edition). The previous year's auditors were unable to determine if any significant adjustment may arise from the finding of the investigation to the financial statements.

As previously announced by the Company, Jason Sim was suspended from his position as the Chief Executive Officer of the Group in May 2016 and he subsequently ceased to be a Non-Executive Director of the Company and Group Chief Executive Officer with effect from 28 May 2018.

Based on information available to the Company, Jason Sim has been charged with:

(a) 16 charges under Section 420 of the Penal Code (Chapter 224) of Singapore; and

(b) 2 charges under Section 76(1)(a)(ii)(B) Companies Act (Chapter 50) of Singapore ("**Companies Act**"), read with Section 408(3) and punishable under Section 76(5) of the Companies Act.

JPS was put under liquidation since 10 June 2016 and was deconsolidated from the financial statements of the Group since financial year ended 31 December 2016.

The business and operations of the Group are not affected by the above events and will continue as normal. The Company will continue to monitor the developments in relation to the above events and take further actions if necessary.

26 Contingent Liabilities

(a) On 30 October 2012, the Group's subsidiary, White Cubic Pte Ltd ("**WC**"), entered into an agreement with a third party supplier (the "**Supplier**") for the supply of goods pursuant to a purchase order. On 12 February 2015, the Supplier filed a legal claim of approximately S$103,000 against WC, as WC has refused to take delivery of the goods. WC is of the view that they are not liable for the sum claimed by the Supplier or any part thereof, and WC has counterclaimed approximately S$15,000 against the Supplier for the Supplier's failure to provide quality goods to WC.

WC has been advised by its lawyer that WC has a good chance of defending this legal claim and succeeding in the counterclaim. Accordingly, no provision for any liability has been made in the current financial year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

26 Contingent Liabilities (cont'd)

(a) (cont'd)

On 18 May 2018, WC and the Supplier have filed their closing submissions and the Court will usually deliver its final judgment within 3 to 6 months after the closing submissions.

As at the date of these financial statements, there is no further development in this legal matter.

(b) In 2016, a customer (the "**Customer**") engaged the Company's wholly-owned subsidiary, Jason Parquet Specialist (Singapore) Pte Ltd ("**JPS**") for the supply, installation and maintenance of timbre flooring and decking works for a project pursuant to a sub-contract agreement dated 15 February 2016. On or about 28 March 2016, an insurance company (the "**Insurer**") issued a performance bond in favour of the Customer for the sum of S$395,184 (the "**Sum**"), which represented 10% of the sub-contract sum. On 25 January 2017, the Customer demanded payment of the Sum from the Insurer, who took the position that the performance bond had not taken effect at all as it was cancelled before it could be delivered to the Customer.

On 31 May 2018, the Insurer issued a third party notice against the Company ("**Third Party Proceedings**"). The Insurer has, through the Third Party Proceedings, brought in the Company as the third party on the basis that the Company is liable to indemnify the Insurer against the Customer's claim and the costs of such action as the court may deem fit on the grounds that the Company had agreed under a deed of indemnity dated 5 February 2016 to indemnify the Insurer against, inter alia, all demands, actions, losses and expenses arising out of the performance bond.

The Company has been advised by its lawyer that it has a good chance of defending this legal claim. Accordingly, no provision for any liability has been made in the current financial year ended 31 December 2017.

As at the date of these financial statements, there is no further development in this legal matter.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

27 Comparative Figures

Restatements

Certain restatements have been made to the prior year's financial statements to enhance comparability with current year's financial statements. The revaluation reserve upon deconsolidation of subsidiary has been transferred directly within consolidated statement of changes in equity instead of being presented as a movement in consolidated statement of comprehensive income. As a result, certain line items have been amended on the face of the consolidated statement of comprehensive income and consolidated statement of changes in equity. Comparative figures have been restated as follows:

	2016 (As previously reported) S$	Restatements S$	2016 (Restated) S$
Consolidated Statement of Comprehensive Income			
Other comprehensive income, net of income tax - Reclassification from revaluation reserve upon deconsolidation of subsidiary	6,774,991	(6,774,991)	-
Total comprehensive income for the financial year attributable to owners of the Company	1,825,044	(6,774,991)	(4,949,947)
Consolidated Statement of Changes in Equity			
Revaluation Reserve			
- Total comprehensive (loss)/income for the financial year	(6,774,991)	6,774,991	-
- Reclassification from revaluation reserve upon deconsolidation of subsidiary	-	(6,774,991)	(6,774,991)
Accumulated losses			
- Total comprehensive (loss)/income for the financial year	1,825,044	(6,774,991)	(4,949,947)
- Reclassification from revaluation reserve upon deconsolidation of subsidiary	-	6,774,991	6,774,991

28 Authorisation of Financial Statements

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 10 August 2018.

STATISTICS OF SHAREHOLDINGS
AS AT 6 AUGUST 2018

Issued and fully paid-up share capital	:	S$10,926,168.595[(1)]
Number of shares	:	2,729,253,595
Class of shares	:	Ordinary shares
Voting rights	:	On a poll - One vote for each ordinary share

(1) Being the issued and paid-up share capital of the Company extracted from the Accounting and Corporate Regulatory Authority of Singapore.

The Company does not have any treasury shares and subsidiary holdings.

SHARES HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 6 August 2018, approximately 24.97% of the issued ordinary shares of the Company were held in the hands of the public as defined in the Catalist Rules. This is in compliance with Rule 723 of the Catalist Rules which requires at least 10% of a listed issuer's equity securities to be held by the public.

DISTRIBUTION OF SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0	0	0.00
100 - 1,000	20	5.60	9,997	0.00
1,001 - 10,000	48	13.45	378,500	0.01
10,001 - 1,000,000	260	72.83	33,449,729	1.23
1,000,001 and above	29	8.12	2,695,415,369	98.76
	357	**100.00**	**2,729,253,595**	**100.00**

STATISTICS OF SHAREHOLDINGS
AS AT 6 AUGUST 2018

TWENTY LARGEST SHAREHOLDERS
(As recorded in the Register of Members and Depository Register)

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	LIM CHWEE KIM	2,042,800,000	74.85
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	123,412,875	4.52
3	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	121,082,946	4.44
4	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, SINGAPORE BRANCH	118,732,602	4.35
5	RAFFLES NOMINEES (PTE) LIMITED	103,345,699	3.79
6	JASON SIM CHON ANG	51,028,000	1.87
7	YAP KOON HONG	34,087,845	1.25
8	RADWELL PTE LTD	28,351,000	1.04
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,501,103	0.46
10	NEO KAH KIAT	9,797,000	0.36
11	DREW & NAPIER LLC	9,190,999	0.34
12	SIM CHOON JOO	5,400,000	0.20
13	SOH HOCK LEONG	3,700,000	0.14
14	TRICOR SINGAPORE PTE LTD	3,402,461	0.12
15	TAY PHAIK HOOI	3,232,000	0.12
16	KPMG SERVICES PTE LTD	2,791,595	0.10
17	NEW SZE WEI (LIANG SHIWEI)	2,688,313	0.10
18	CHOO MEE HUA	2,516,443	0.09
19	OCBC SECURITIES PRIVATE LIMITED	2,461,000	0.09
20	NAM LEONG CO PTE LTD	2,000,000	0.07
	Total	**2,682,521,881**	**98.30**

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Lim Chwee Kim	2,042,800,000	74.85	Nil	Nil

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **Jason Holdings Limited** (the "**Company**") will be held at Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948 on Friday, 31 August 2018 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Tan Lai Heng, who is retiring pursuant to Article 98 of the Company's Constitution and has offered himself for re-election. **(Resolution 2)**

   Mr Tan Lai Heng will, upon re-election as Director of the Company, remain as a member of the Audit Committee, Nominating Committee, and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

3. To re-elect Mr Wui Heck Koon, who is retiring pursuant to Article 98 of the Company's Constitution and has offered himself for re-election. **(Resolution 3)**

   Mr Wui Heck Koon will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

4. To approve the payment of Directors' Fees amounting to $95,000 for the financial year ended 31 December 2017. **(Resolution 4)**

5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

7. **Authority to Allot and Issue Shares** **(Resolution 6)**

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

   (I) (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(II) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 1]

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
Singapore
16 August 2018

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note 1:

Ordinary Resolution 6 is to empower the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed 50% of the total issued shares at the time of the passing of this Resolution.

Notes:

1 (a) A member of the Company, who is not a relevant intermediary, is entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

(b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascertained to it in Section 181 of the Act.

2 A proxy need not be a member of the Company.

3 Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

4 If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

5 The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., either by hand at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or by post at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice. The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road #21-00 AIA Tower, Singapore 048542, telephone (65) 6532 3829.*

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JASON HOLDINGS LIMITED
(Company Registration No: 201119167Z)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "**relevant intermediary**").

2. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 August 2018.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We*, ... (Name) ..... (NRIC/Passport No./Registration No.)
of ..... (Address)
being a member/members* of Jason Holdings Limited (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "**Meeting**") as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Meeting of the Company to be held at Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948 on Friday, 31 August 2018 at 2.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the Meeting and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes For[(1)]**	**Number of Votes Against[(1)]**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2017 together with the Auditor's Report		
2	Re-election of Mr Tan Lai Heng as Director of the Company		
3	Re-election of Mr Wui Heck Koon as Director of the Company		
4	Approval of Directors' Fees amounting to $95,000 for the financial year ended 31 December 2017		
5	Re-appointment of Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to allot and issue shares		

(1) If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ..... day of 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

.....
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**")), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., either by hand or by post at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 16 August 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.